



Daily Report

East Asia

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KEDO Mediators, Managers Under Consideration

OW1702002095 Tokyo NIHON KEIZAI SHIMBUN in Japanese 16 Feb 95 Morning Edition p 1

[By correspondent Tsuyoshi Haruhara]

[FBIS Translated Text] Washington, 15 Feb—It was disclosed by several U.S. Government officials today that the U.S. plans to designate American firms as mediators for promotion of a project to provide North Korea with light-water reactors. The U.S. Government plans to do so out of consideration for North Korea, which has refused to make direct deals with South Korea and introduce the South Korean model. Two American trading firms—Nikko Enterprises (based in New Jersey) and Bechtel—that have traded with North Korea, are already mentioned as potential mediators. The United States aims to use the plan as a means to break the deadlock in U.S.-North Korea talks over the question of which nation will supply North Korea with the light-water reactors.

The plan under consideration by the U.S. Government is to appoint "project managers" who will mediate with North Korea and manage the Korea Energy Development Organization (KEDO), an international consortium, which is to be established in late February, at the earliest. The U.S. Government is considering choosing the project managers from among American firms through a competitive bidding process. The KEDO will consign the American firms with handling matters concerning the construction of light-water reactors in North Korea.

The "project managers" will finalize plans for construction of the light-water reactors with North and South Korean prime contractors under a consignment contract and choose subcontractors from among companies in Japan and other nations.

North Korea fears that if it accepts South Korea's offer to introduce its model, it will have to make direct deals with South Korean firms, and South Korea would take the initiative in implementing the U.S.-North Korea agreement. The U.S. Government believes that the mediation among the KEDO, South Korean firms and North Korea will make it easy for North Korea to accept the South Korean model. The U.S. Government also believes that South Korea will make some concessions because the light-water reactors to be supplied to North Korea are its model.

According to a U.S. Government official, major American firms specializing in atomic power such as Nikko, Bechtel and Westinghouse have notified the Department of State that they are willing to play the role of mediators. Nikko is the first American trading firm that has obtained approval from the U.S. Government for trade with North Korea. The firm has already exported \$100 million worth of wheat and rice to North Korea. It has sounded out the Nissho Iwai Corporation and the Mitsubishi Group about possible business cooperation.

ROK, U.S., Japan To Lead KEDO Consortium

OW2802000595 Tokyo KYODO in English 2315 GMT 27 Feb 95

[FBIS Transcribed Text] Washington, Feb. 27 KYODO—The United States, Japan and South Korea on Monday [27 February] started a two-day working level conference on an international consortium to build two modern and safer nuclear reactors in North Korea following a nuclear accord between Pyongyang and Washington.

The consortium, dubbed the Korean Energy Development Organization (KEDO), will be formally launched on March 7 in New York, and the Washington meeting will be primarily focused on fine-tuning a draft contract that the KEDO would sign with North Korea, officials said.

The three key members of the KEDO will finalize a draft agreement for the founding of the organization during an ambassador-level meeting in the U.S. capital starting Thursday, the officials said.

The essentials of the KEDO agreement settled so far involve setting up the headquarters in New York, with the U.S. heading the organization, and Japan and South Korea holding the two deputy posts.

A board staffed by representatives of all three countries will become KEDO's major decision-making body.

All countries eventually joining the consortium will be represented at a general meeting, which will be allowed to set up advisory committees to make proposals to the board.

North Korea still refuses to accept the joint demand by the U.S. and South Korea that South Korean-made light-water reactors be used for the project. Light-water reactors produce less plutonium, a key ingredient in the manufacture of atomic bombs.

In the landmark accord concluded in Geneva last October, North Korea agreed to scrap its graphite-moderated nuclear reactors in exchange for safer light-water reactors.

It was suspected that the communist country had diverted plutonium extracted from the existing reactors to make nuclear bombs.

Some 20 Nations Expected To Join KEDO

SK0303052195 Seoul YONHAP in English 0501 GMT 3 Mar 95

[FBIS Transcribed Text] Washington, March 2 (YONHAP)—About 20 countries are expected to participate in the preparatory meeting for the establishment of the Korean peninsula Energy Development Organization (KEDO) to open in New York Tuesday through Wednesday, diplomatic sources here said Thursday.

Choe Tong-chin, chief of South Korea's Office of Planning for the Light-water Reactor Project, met Thursday with U.S. and Japanese nuclear ambassadors [titles as received], Robert Gallucci and Tetsuya Endo [name as received], to put the final touches to preparations for the establishment of the KEDO, an international consortium tasked with supplying light-water reactors to North Korea in return for the freezing of its nuclear development program.

The U.S. side reportedly told the meeting that 16 countries had confirmed that they would participate in next week's meeting and that another four to five countries were expected to give their replies soon.

Sources said those countries which attend the two-day meeting will become KEDO members. They added that some 20 countries, including the 16 countries which have already confirmed their participation, are expected to join the organization.

The three main players—South Korea, the United States and Japan—will sign an agreement on the KEDO Thursday and other joining countries will only have to submit letters of acceptance.

The nuclear ambassadors of the three countries are to meet again Friday and the results will be announced by the U.S. State Department later in the day.

Sources added that the expression "South Korean model" will be specified in an appropriate way in the agreement for the establishment of the KEDO.

Some Asian countries including Australia and the Philippines, and some European and Middle Eastern countries are expected to participate in the KEDO as member nations.

Japan Endorses Signing of KEDO Agreement

OW0303042895 Tokyo KYODO in English 0409 GMT 3 Mar 95

[FBIS Transcribed Text] Washington, March 2 KYODO—The United States, Japan and South Korea will launch an international consortium March 9 to build two modern nuclear reactors in North Korea in line with a nuclear accord between Pyongyang and Washington, diplomatic sources said Thursday.

Ambassadors of the three nations have decided to sign an agreement to set up the consortium, the Korean Energy Development Organization (KEDO), at its inaugurating general meeting to be held from next Tuesday in New York.

KEDO will lead a 4 billion dollar project to build two 1,000-megawatt light-water reactors in North Korea and supply substitute energy to North Korea in return for the country's pledge to dismantle its suspected nuclear program. More than 10 other nations are expected to attend the general meeting in New York, the sources said.

In Tokyo, Foreign Minister Yohei Kono said Friday the government will endorse the signing of an agreement in a cabinet meeting next Tuesday for the founding of KEDO. Kono made the remarks at Friday's cabinet session, government officials said. In the session, Transport Minister Shizuka Kamei urged China's participation in KEDO, the officials said.

Japan

Kozyrev Arrives for 3-Day Official Visit

OW0203141795 Tokyo KYODO in English 1325 GMT
2 Mar 95

[FBIS Transcribed Text] Tokyo, March 2 KYODO—Russian Foreign Minister Andrey Kozyrev arrived in Japan on Thursday [2 March] night for a three-day visit to hold talks with his Japanese counterpart Yohei Kono.

Kozyrev, whose Japan trip was originally scheduled for December or January, will hold talks with Kono on Friday and Saturday in a regular foreign ministerial meeting between the two countries.

He will also meet Prime Minister Tomiichi Murayama on Friday evening.

In talks between Kono and Kozyrev, a wide range of bilateral and international affairs will be taken up, including conflicts in Russia's breakaway republic of Chechnya, Foreign Ministry officials said.

The talks are expected to focus, however, on the long-standing territorial dispute involving the Russian-held four islands off Japan's main northern island of Hokkaido—Etorofu, Kunashiri, Shikotan and the Habomai islets—which the former Soviet Union seized at the end of World War II.

But little progress is expected on the conflict which has prevented Tokyo and Moscow from concluding a peace treaty.

Kozyrev and Kono are likely to reconfirm the Tokyo declaration signed between Russian President Boris Yeltsin and then Japanese Prime Minister Morihiro Hosokawa during the president's Tokyo trip in October 1993.

The declaration called for a solution to the decades-long dispute based on the principles of "law and justice" and confirmed that all treaties and international accords between Japan and the Soviet Union will continue to be applied to relations between Japan and Russia.

Kozyrev said in Moscow earlier this week that Moscow will try to resolve the territorial dispute with Japan in line with the Tokyo declaration but that it could not sign a peace treaty until Russo-Japanese relations are comprehensively strengthened, including in economic spheres.

The Japanese and Russian foreign ministers are also expected to seek an agreement on a date to begin full negotiations on fishing rights off the disputed islands.

Russian patrol boats have fired at and detained Japanese fishing boats in the waters near the four disputed islands, accusing the Japanese vessels of poaching in the area.

Japan has rejected, in informal talks last year, Russian demands to pay for fishing rights in the waters, claiming

that such a payment would amount to recognizing Russian sovereignty over the four islands.

On international issues, Kono and Kozyrev are likely to discuss the situation on the Korean peninsula, including the Korean Energy Development Organization (KEDO) to be set up at the initiative of the United States, Japan and South Korea to provide North Korea with safer nuclear reactors, they said.

The situations in the former Yugoslavia and China may also be discussed, as well as possible restructuring of the United Nations and nuclear nonproliferation, they said.

Holds Talks With Murayama

OW0303123695 Tokyo KYODO in English 1208 GMT
3 Mar 95

[FBIS Transcribed Text] Tokyo, March 3 KYODO—Russia will continue with political and economic reforms despite the setback over conflicts in Chechnya, Russian Foreign Minister Andrey Kozyrev told Prime Minister Tomiichi Murayama on Friday [3 March].

Russia's vow to maintain its reform policies were also emphasized in a letter from President Boris Yeltsin to Murayama which Kozyrev handed over during the 40-minute meeting with the prime minister, Japanese Foreign Ministry officials said.

In the talks at his official residence, Murayama voiced strong concern that the fighting in Chechnya is continuing and that many people including civilians are being killed.

Murayama said he strongly hopes Russia will make "serious efforts" to peacefully solve the conflict and make sure that its political and economic reforms will continue to be pursued.

Kozyrev, in Japan since Thursday for a three-day visit, told Murayama that Russia's democracy is firmly linked to its reform efforts so that the tragedy of Chechnya will not affect such efforts, the ministry officials said.

He also expressed hope that efforts toward a peaceful solution on the conflict will speed up.

Concerning the long-standing bilateral row over the four disputed islands off Hokkaido, Murayama told Kozyrev it is essential to make specific progress on the territorial issue.

Murayama was quoted as saying Japan and Russia should go beyond reconfirming the Tokyo Declaration signed between the two countries when Yeltsin visited Japan in October 1993, and make progress, even if only a small step, toward a solution based on law and justice to fully normalize the bilateral relations.

Noting that this year marks the 50th year since the end of World War II, the Japanese prime minister called for doubling efforts to overcome negative remnants of the past, the officials said.

He also called for the withdrawal of Russian troops from the four disputed islands of Etorofu, Kunashiri, Shikotan and the Habomai islets to solve the decades-long territorial row.

Kozyrev told Murayama he wants to continue dialogue with Japan on "all problems" and discuss the territorial problem based on the declaration.

The dispute over the islands which the former Soviet Union seized at the end of the war has prevented Tokyo and Moscow from concluding a peace treaty.

In the letter to Murayama, Yeltsin wrote that a true partnership is being promoted between Japan and Russia based on the Tokyo declaration.

The declaration called for a solution to the decades-long dispute, based on the principles of "law and justice," and confirmed that all treaties and international accords between Japan and the Soviet Union will continue to be applied to relations between Japan and Russia.

Turning to the problem over fishing rights in the waters around the disputed islands, Murayama and Kozyrev agreed it is important to set a date to begin official negotiations as soon as possible.

Kozyrev told the prime minister he wants to discuss the matter on Saturday in talks with Foreign Minister Yohei Kono.

Russian patrol boats have shot at and detained Japanese fishing boats in waters near the contested islands, accusing the Japanese vessels of poaching in the area.

Japan and Russia agreed in November to begin official negotiations on the problem but have been unable to convene such a meeting mainly due to a lack of policy coordination among Russian authorities.

On the international arena, Yeltsin wrote in the letter to Murayama that Russia will soon apply for membership in the Asia-Pacific Economic Cooperation (APEC) forum and called for Japanese support for the bid, the officials said.

Yeltsin also wrote that Moscow intends to be actively involved in the process toward the integration of the Asia-Pacific region, they said, but Murayama did not offer a direct reply on the matter during his talks with Kozyrev.

Kozyrev voiced Russia's desire to participate in the upcoming summit meeting of the Group of Seven (G-7) economic powers in Halifax, Canada.

Murayama replied that Canada, the host, is currently studying how Russia will join the meeting based on last year's arrangements at the G-7 summit meeting in Naples, they said.

The officials said Yeltsin also extended an official invitation for Murayama to visit Russia, to which

Murayama replied that he wants to consider the invitation because he thinks the visit should be a substantial and meaningful one for the development of Japanese-Russian ties, they said.

Following the meeting with Murayama, Kozyrev began talks with Kono over dinner as part of the regular foreign ministerial meeting between the two nations.

They are to hold another round of talks on Saturday to discuss matters of mutual interest.

Kozyrev Visit Editorialized

OW0303142795 Tokyo YOMIURI SHIMBUN in Japanese 3 Mar 95 Morning Edition p 3

[Editorial: "Tokyo Urged To Make Tough Demands on Russian Politics"]

[FBIS Translated Text] Russian Foreign Minister Kozyrev is now on a visit to Japan.

Russia has been increasingly reeling from the chaotic domestic situation since it intervened militarily in Chechen. The present situation in Russia makes it hard to expect specific progress in such major pending issues as the Northern Territories and the issue of concluding a peace treaty between Japan and Russia at Japan-Russia foreign ministerial talks.

Nonetheless, the Japan-Russia foreign ministerial talks to be held in Tokyo are of great significance.

We hope that Japan will use the talks as an opportunity to express concern over the situation in which warped Russian politics have been causing apprehension in Japan-Russia relations and in the international community and strongly urge that Russia take action to rectify this. Japan needs to ask Russia to reaffirm its commitments and deal honestly with bilateral issues.

Commenting on Russia-Japan relations upon his departure for Tokyo, Russian Foreign Minister Kozyrev explicitly stated, "I intend to move forward Russia-Japan relations to the maximum extent on the basis of the Tokyo Declaration." We hope that his statement will not end in mere diplomatic rhetoric.

The "Tokyo Declaration," which was signed between Japan and Russia when President Yeltsin visited Japan in 1993, specifically stated names of four northern islands and called for a solution to the territorial dispute between the two countries based on the principle of "law and justice." In the declaration, Japan committed itself to promoting the "expanded equilibrium" in Japan-Russia relations on the premise that Russia will carry through the principle and pursue democratization and a market economy.

In other words, the two countries confirmed in the declaration that the future of Japan-Russia relation hinges on whether or not Russia will pursue sound domestic and foreign policies.

It is hard to say if the democratization in Russia has made headway since President Yeltsin visited Japan in 1993. The collapse of "law and justice" in Russian politics has accelerated since Mr. Yeltsin decided late last year to intervene militarily in Chechnya. Reformists have broken away from the Yeltsin government. The Yeltsin government, which has lost support of the parliament, has tried to weather the current crisis by indiscriminately issuing a series of presidential decrees. An abnormal situation has been continuing to develop in Russia.

The governments of European nations and the United States are persuading Russia to halt its inhuman military intervention in Chechnya and bail out of the domestic crisis caused by its military intervention in the independence-minded republic. There is a perception that the qualitative change which occurred in Russian politics has impeded cooperation between Russia and the international community and could lead to an international crisis.

Japan, too, has expressed concern over the civil war in Chechnya. Japan should press the Russian government to alter its policy toward Chechnya by making the point that the Chechen situation is an important issue that involves Japan-Russia relations.

Russia is seeking emergency loans from the international community for the reconstruction of its economy, and Japan has promised Russia that it would provide appropriate assistance for healthy reforms on the basis of the "expanded equilibrium."

In other words, Japan is closely associated with the Russian domestic situation. Japan should exercise its influence on Russia by articulating this point to Russian Foreign Minister Kozyrev.

While it is difficult for Japan to move the issue of the northern territories forward, it is possible for it to work together with Russia to pave the way for future negotiations on the issue. An agreement was reached between Japan and Russia on holding negotiations on the issue of securing safe fishing operations for Japanese fishermen in waters off the four northern islands when Russian Deputy Premier Soskovets visited Japan last fall, but no progress has been made in implementing the agreement. Urging Russia to deal honestly with the issue cannot be taken as a unreasonable request.

Kozyrev's visit to Japan is an opportunity for Japan to test the will of "law and justice" in various aspects.

Defense Chief Invited to Moscow

*OW0303112595 Tokyo KYODO in English 1052 GMT
3 Mar 95*

[FBIS Transcribed Text] Tokyo, March 3 KYODO—A top Russian defense official on Friday [3 March] reiterated Moscow's hopes of inviting Japan's Defense Agency chief to visit Russia to promote bilateral defense exchanges.

Russian Deputy Defense Minister Boris Gromov renewed the request when he met with his Japanese counterpart Shigeru Hatakeyama for the first bilateral meeting between such high-level defense officials of the two nations, agency officials said.

Defense Agency chief Tokuichiro Tamazawa had been scheduled to visit Moscow in January for the first visit by Japan's defense agency chief, but his visit was canceled due to the Russian military advance into the Chechen capital of Grozny and the Jan. 17 earthquake in western Japan.

Hatakeyama told Gromov that he will arrange the schedule of Tamazawa's visit in view of progress in overall bilateral relations, the officials said.

Gromov also met with other senior Defense Agency officials and proposed exchanges of defense officials between the two countries and reiterated that Russia will curtail its troops to 1.5 million from the current 1.7 million, they said.

The Japanese called for a peaceful solution to the situation in the separatist republic of Chechnya, they said.

Gromov said the Chechen situation is under control by troops from the Russian Interior Ministry, but added there are contradictory views in Russia on whether the situation can be fully stabilized, they said.

Gromov is traveling with Russian Foreign Minister Andrey Kozyrev, who arrived in Tokyo Thursday night for a three-day visit to meet his Japanese counterpart Yohei Kono.

Tanaka Berates Bureaucrats Over Space Talks

*OW0303142995 Tokyo KYODO in English 1413 GMT
3 Mar 95*

[FBIS Transcribed Text] Tokyo, March 3 KYODO—A Japanese cabinet member, angered by bureaucratic red tape, is casting a shadow over negotiations between Japan and the United States over a space treaty, leaving the talks stalled, agency sources said Friday [3 March].

Outspoken Science and Technology Agency Chief Makiko Tanaka, frustrated over the bureaucrat-led negotiations on the Japanese side, wants them to be led by politicians instead, agency sources said.

The treaty in question is designed to exempt each country from damage claims by the other, in the event of accidents in space development, to smooth bilateral cooperation.

The United States is looking to subject Japanese astronaut Koichi Wakata to the terms of the treaty as he is scheduled to accompany the mission of U.S. Space Shuttle Endeavor in November.

Tanaka reprimanded a senior agency official last December for failing to report in detail on the progress of the negotiations.

The agency had since been aiming to settle the negotiations in mid-March, but on Feb. 21 Tanaka again cautioned the officials involved against proceeding in the negotiations without reporting to her, forcing the recall of a Japanese negotiator shortly after his arrival in the United States.

Tanaka told a press conference Friday that she will take on the responsibility of making decisions.

"I wonder if it is appropriate to say 'yes sir' to everything the United States wants," she said.

MOFA's Saito: Relations With U.S. 'Good'

*OW0303103895 Tokyo KYODO in English 0932 GMT
3 Mar 95*

[FBIS Transcribed Text] Tokyo, March 3 KYODO—The United States called Friday [3 March] for the partnership between Japan and the U.S. To be enriched, and cooperation in various fields to be boosted, Foreign Ministry officials said.

Winston Lord, assistant secretary of state for East Asia and Pacific affairs, made the appeal during a 40-minute meeting with Vice Foreign Minister Kunihiko Saito at the Ministry of Foreign Affairs [MOFA].

Lord told Saito it is important for Japan and the U.S. to create a "rich partnership" between the two nations ahead of the Asia-Pacific Economic Forum (APEC) meeting in Osaka in November and the proposed visit to Japan by U.S. President Bill Clinton, the officials said.

Specifically, the senior U.S. official called for increased bilateral cooperation in tackling regional and global problems and promoting security dialogue, they said.

Saito described overall Japan-U.S. relations as good, telling Lord it is important to tackle in a calm manner various problems that may arise between the two countries over the 50th anniversary of the end of World War II.

Lord and Saito also agreed to continue close cooperation between Japan, the U.S. and South Korea in a project to provide North Korea with safer nuclear reactors, the officials said.

Lord noted that it is important for the dialogue between South and North Korea to resume, they said.

Lord is in Japan as part of his Asian tour which has already taken him to South Korea, China and Mongolia.

Editorial on Pentagon's Asian Security Report

*OW0303085495 Tokyo SANKEI SHIMBUN in
Japanese 1 Mar 95 Morning Edition p 2*

[Editorial: "Japan Urged To Play a Role in Stabilizing Asia"]

[FBIS Translated Text] On 27 February, the Pentagon sent the Congress a report entitled "Security Strategy for

East Asia and the Pacific" explaining its future views. This can be seen as a revised version of the "Framework of Strategies for Asia and the Pacific," which the Bush administration issued in April, 1990. The U.S. stand aims at: promoting multilateral cooperation in the Asia-Pacific region, revising its policy of gradually withdrawing U.S. military forces, (maintaining for the time being 100,000 personnel), and strengthening the bilateral security ties that have been maintained so far.

The main reason why the United States disclosed the contents of the report appears to be to ease the apprehension that withdrawing the U.S. military from Asia in the wake of the Cold War would create instability. It is also designed to strengthen the alliance between the United States and Asian countries. In particular, the report stresses that the Japan-U.S. security alliance is the linchpin of the U.S. security policy for Asia. Likewise, the report admits that security ties between Japan and the United States is indispensable for stability in Asia. The report is also influenced by the U.S. desire to normalize Japan-U.S. relations, in which discord is beginning to be felt.

With this in the background, the United States wants to emphasize Secretary of State Perry's comment made at the beginning of the report calling on Japan to shoulder responsibility for maintaining regional and global security. Since the report hopes Japan will play a major role in creating a security environment in the Asia-Pacific region, it is likely that Japan's responsibility will expand. The actual tasks will be spelled out at a working-level meeting, which has already started. The meeting will likely discuss the following as Japan's responsibilities for the present time: 1) economic contributions; 2) regional leadership; 3) sharing substantial roles, including UN peacekeeping operations (PKO); and, 4) strengthening the Japan-U.S. security system.

Regarding item no. 1, discussions may be held on such issues as increasing Japan's portion of the U.S. forces' expenses and its share in covering the construction cost of North Korea's light-water nuclear reactor (which is said to reach 100-200 billion yen). Regarding item no. 2, Japan will be asked to play a leadership role and make proposals during the dialogues on regional security. It appears that the demand for PKO will grow in the future. We believe that both countries have to improve the Japan-U.S. security system by signing an acquisition and cross-servicing agreement (ACSA) and stockpiling goods needed for the cross-servicing.

The report says that stability in the Asia-Pacific region is linked to the national interest of the United States. However, Japan will benefit more than the United States from stability in this region. Thus, it is necessary for Japan to play a role in the economic and security spheres in order to promote its national interests.

Reports on Reaction to Rapid Yen Appreciation

Murayama Urges 'Normal' Conditions

OW0303013695 Tokyo KYODO in English 0122 GMT
3 Mar 95

[FBIS Transcribed Text] Tokyo, March 3 KYODO—Prime Minister Tomiichi Murayama urged more "normal" conditions reflecting economic fundamentals Friday after the yen soared to postwar highs against the dollar.

"We need a bit more of a normal condition reflecting economic conditions," he told reporters in the Diet after the Japanese currency sent the dollar plummeting to a postwar low in the 94 yen range overnight in New York. "Stability is also vital for the world economy," Murayama said.

Murayama held an emergency meeting in the morning with Finance Minister Masayoshi Takemura, International Trade and Industry Minister Ryutaro Hashimoto and Foreign Minister Yohei Kono on ways to stem the yen's rise against the dollar, Takemura said.

A Bank of Japan source called the yen's climb "speculative and absolutely not reflecting the real state of the economy." The source indicated joint interventions with other central banks were possible, saying Japan is in contact with other countries and will make an "appropriate and cooperative response."

The dollar was stable in early Tokyo trading, quoted at 95.35-38 yen at 9 AM [0000 GMT], down nearly 1.50 yen from late Thursday but up a bit from its late New York quote of 95.15-25 yen, where it rebounded after sinking at one point in New York to 94.90 yen, a postwar record low.

Takemura 'Worried' About Appreciation

OW0303022895 Tokyo KYODO in English 0213 GMT
3 Mar 95

[FBIS Transcribed Text] Tokyo, March 3 KYODO—Finance Minister Masayoshi Takemura expressed grave concern Friday over the yen's quick rise against the dollar on foreign exchange dealings.

Takemura said at a news conference after a regular cabinet meeting, "I'm seriously worried about the yen's appreciation yesterday and today." Developments in the yen-dollar exchange rate since Thursday were only on speculative moves, Takemura said. "I don't think there were any clear-cut factors," he said.

The Group of Seven (G-7) industrialized nations have agreed that speculative moves are undesirable and exchange rates should reflect each nation's economic fundamentals, Takemura said. Japan will take action in an appropriate and timely manner to check the yen's

sharp advance in close cooperation not only with the United States but with European countries as well, he said.

Regarding the yen's rapid gain in the currency market, Prime Minister Tomiichi Murayama hastily summoned economic-related ministers after the cabinet meeting to discuss foreign exchange issues, Takemura said. Takemura said Murayama is worried about adverse impact on Japan's economy over the yen's rise since Thursday. The ministers have agreed to take adequate steps on the initiative of the finance ministry, he said.

Turning to the sluggish stock market, Takemura downplayed any possible adverse impact on stock prices of Thursday's rejection by the Tokyo Metropolitan Assembly to provide financial aid to a new bank to take over two Tokyo-based failed credit unions. "I don't think recent stock prices have moved for that reason," Takemura said. "We must avoid damaging people's confidence in financial markets and credit order."

Takemura regretted the Tokyo assembly's disapproval of disbursing 30 billion yen in low-interest loans as part of a central bank-led plan to bail out Tokyo Kyowa Credit Association and Anzen Credit Bank.

Takemura said, however, the scheme has already been launched and his ministry has already granted a business license to Tokyo Kyodou Bank, which was established in January jointly by the Bank of Japan and the private financial sector to absorb the bad loan-saddled credit unions. Takemura said the ministry will take necessary financial steps to support Tokyo Kyodou Bank as long as the Tokyo government postpones its decision. Asked if Tokyo Kyodou Bank can start operation March 20 as scheduled, Takemura said, "I think our policy remains unchanged."

Hashimoto Urges Prompt Action

OW0303022295 Tokyo KYODO in English 0212 GMT
3 Mar 95

[FBIS Transcribed Text] Tokyo, March 3 KYODO—International Trade and Industry Minister Ryutaro Hashimoto urged monetary authorities Friday to promptly take action to arrest the yen's further rise against the dollar.

Speaking at a news conference, Hashimoto said, "I strongly hope the currency authorities will make best efforts to turn around the situation. "The yen's further gain may cause great hindrance to Japan's economy that has just begun recovering," Hashimoto said. Hashimoto said the current yen-dollar exchange level is "severe" for small Japanese companies, especially export-oriented ones.

In New York on Thursday, the dollar slipped below 95 yen for the first time. It is trading at the 95 yen level in Tokyo on Friday.

On a controversial rescue plan for two failed credit unions, Hashimoto stressed the need for parties concerned to settle the issue from a viewpoint of maintaining Japan's credit order. "I hope the issue will be settled in a manner that will keep Japan's credit system stable," Hashimoto said. But he declined to comment further, saying talks for salvaging the two banks are still taking place.

He made the remarks after the Tokyo Metropolitan Government's virtual rejection Thursday of a 30 billion yen loan program as part of a bailout scheme for Tokyo Kyowa Credit Association and Anzen Credit Bank.

The rejection is expected to shake the overall framework of the bailout scheme for the two institutions. The Tokyo Metropolitan Government is a key player in the scheme along with the Finance Ministry and the Bank of Japan.

On deregulatory steps outlined by MITI for the government's five-year package, Hashimoto said the ministry will basically keep its draft plan intact.

MITI released an interim report for the deregulatory efforts in February, which found about 90 items impossible to revise or remove out of 350 rules and regulations under the ministry's jurisdiction.

"So far, the ministry has received no requests to do something about the 90 items," Hashimoto said. The five-year package will be released at the end of March.

Igarashi on 'Appropriate Action'

*OW0303021895 Tokyo KYODO in English 0206 GMT
3 Mar 95*

[FBIS Transcribed Text] Tokyo, March 3 KYODO—Japan will take appropriate action to combat the yen's surge against the U.S. dollar as the recent rise of the Japanese currency does not reflect the nation's economic fundamentals, the top government spokesman said Friday.

Chief Cabinet Secretary Kozo Igarashi said at a news conference that cabinet ministers concerned shared this view at an emergency meeting following the dollar's fall to a postwar low of 94.90 yen in New York trading overnight.

"The recent currency markets are dominated by speculative moves and do not necessarily reflect our economic fundamentals correctly," Igarashi said. "With strong interests, the government will take appropriate action," he said.

The cabinet ministers also agreed that Japan will strive to stabilize yen-dollar exchange rates in close cooperation with other Group of Seven (G-7) member states, Igarashi said.

The emergency meeting brought together Prime Minister Tomiichi Murayama, Foreign Minister and Deputy Prime Minister Yohei Kono, International Trade and

Industry Minister Ryutaro Hashimoto, Economic Planning Agency Chief Masahiko Komura and Igarashi.

Following its weakness overnight in New York trading, the dollar got off to a slightly higher start against the yen in Tokyo dealings Friday. The U.S. Currency was quoted late Thursday at 95.25-35 yen in New York and 96.15-25 yen in London.

Asked on whether a five-year deregulation program due to be drawn up by the end of March will be sufficiently substantial and help check the dollar's further slide against the yen, Igarashi said only, "we would like to tackle the issue by focusing on requests from at home and abroad."

The government is scheduled to issue an interim report on deregulation March 10 before nailing down the five-year deregulatory package by the end of the month. Calls are strident, particularly from foreign countries, for Japan's full-scale deregulatory efforts as a means of making its markets more accessible and slashing the nation's mammoth trade surplus.

Toyoda: 'Grave' Economic Impact

*OW0303142195 Tokyo KYODO in English 1201 GMT
3 Mar 95*

[FBIS Transcribed Text] Tokyo, March 3 KYODO—The yen's renewed surge will have a grave effect on the Japanese economy, now in the recovery phase, a top business leader said Friday [3 March].

Shoichiro Toyoda, chairman of the influential Federation of Economic Organizations (Keidanren), was commenting on the jump of the Japanese currency to a new high earlier in the day on the Tokyo foreign exchange market.

He said the current exchange rate of the yen is far above the real capabilities of the Japanese economy.

Kosaku Inaba, chairman of the Japan Chamber of Commerce and Industry, called on the government to quickly do whatever it can to cope with the yen's rapid rise.

He said if the yen-dollar exchange rate were to stabilize at the present level, it would deal a heavy blow to the Japanese economy together with the continued slump in the stock markets.

Masaru Miyata, senior managing director of Honda Motor Co., said the effects of the yen's surge cannot be overcome by the company's own efforts.

Yoshihiko Wakumoto, senior managing director of Toshiba Corp., said that if the yen should remain at the present level, much greater efforts would have to be made to cut costs.

Akira Kobayashi, executive vice president of NEC Corp., said that if the company is to maintain its cost-competitiveness under existing circumstances, the

overseas procurement rate, currently at about 30 percent, will have to be raised to 80-90 percent within a year.

Electric power and city gas utilities expressed more complex feelings on the yen's rise. Though the utilities will enjoy direct purchasing benefits from the yen's surge, the jump will decelerate the general business recovery, resulting in reduced demand for electricity and gas, industry officials said.

Major retailers said the yen's climb will have the effect of further lowering Japanese price levels, mainly through declining prices of imported apparel, general merchandise and foodstuffs.

BOJ Survey: Economy Slowly Recovering

*OW0303090295 Tokyo KYODO in English 0828 GMT
3 Mar 95*

[FBIS Transcribed Text] Tokyo, March 3 KYODO—The Japanese economy is moderately recovering with a steady improvement in manufacturers' confidence, although the Jan. 17 earthquake has overshadowed the recovery of nonmanufacturers, a key Bank of Japan (BOJ) survey showed Friday [3 March].

The BOJ's quarterly "tankan" survey of business confidence, conducted in February, showed the key diffusion index for major manufacturers improved to minus 21 from the minus 29 of the previous survey in November, the central bank said.

The index, or the difference in the percentage of respondents citing favorable conditions minus that of the unfavorable responses, marginally improved to minus 29 from the minus 30 of three months earlier for major nonmanufacturers, the bank said.

"The pace of recovery in business confidence in the nonmanufacturing sector has decelerated due to the great Hanshin earthquake," said Kunihiro Takeshima, director of the bank's research and statistics department.

"Yet, there is no factor to change our judgment that the overall Japanese economy has been and will continue recovering moderately. The tankan endorses this judgment," Takeshima said.

Briefing reporters on the report, Takeshima said the downturn in major companies' capital spending has nearly ceased both in the manufacturing and nonmanufacturing sectors, an encouraging sign for the possibility of a gradual recovery in the first half of fiscal 1995.

Takeshima admitted, however, that the actual situation could be a bit worse since some companies in Hyogo Prefecture, hard hit by the earthquake, were unable to respond to the survey.

As for the outlook to June, major manufacturers predict a further improvement to minus 12, and major nonmanufacturers forecast a better figure of minus 21.

Takeshima said the forecast index by nonmanufacturers could have been minus 19 if it were not for the Kobe earthquake.

The tankan survey covered 9,885 companies, including 709 major firms, but 13 leading and some 70 smaller companies in quake-hit areas failed to reply, bringing down the response rate to 92.1 percent from the previous 93.8 percent.

Slower recovery in the nonmanufacturing sector, notably in construction and real estate, is due to slumping land prices and the so-called "balance sheet" problem comprising things such as nonperforming loans and excessive investment in real estate, Takeshima said.

The distribution sector has also faced lower sales prices because of increases in cheaper imports and intensifying sales competition, he said.

"These factors have been outweighing recovery of non-manufacturers," Takeshima said.

In addition, the earthquake dampened consumers' confidence and pulled down private consumption nationwide, but the downturn in individual spending may not drag on for long, he said.

The business confidence index of manufacturers in Hyogo prefecture worsened to minus 32 from the previous minus 29, while that of nonmanufacturers in the prefecture deteriorated to minus 34 from the previous minus 24, the survey showed.

They both forecast a slight improvement by June, however, with the index for manufacturers standing at minus 26 and that for nonmanufacturers at minus 33, it said.

Major companies plan to reduce their capital investment for fiscal 1995 by 1.0 percent from the previous year's levels.

For fiscal 1994, their planned capital spending is expected to fall 5.6 percent from the previous year's levels.

Takeshima expected a gradual upward revise for fiscal 1995 on ground of recovery in leading indicators such as machinery orders.

Major manufacturers left their forecast on sales for fiscal 1994 unchanged at a 0.9 percent yearly growth, while revising upward their projection for pretax profits by 2.5 percentage points to a 30.3 percent rise.

For fiscal 1995, their expectations of sales show a 2.2 percent yearly increase and they foresee a 21 percent growth in pretax profits.

Domestic sales are expected to mark a steady growth of 2.5 percent and exports are forecast to rise 0.9 percent for the year.

Nonmanufacturers expect a 1.1 percent increase in sales in fiscal 1995 and predict a 5.5 percent rise in pretax profits.

It is the first time in five years for nonmanufacturers to predict yearly increases in both sales and pretax profits, Takeshima said.

For fiscal 1994, nonmanufacturers expect a 1.5 percent yearly fall in sales and a 3.4 percent decline in pretax profits.

The labor index, or the percentage of firms saying they have a too-large workforce minus the ratio of those estimating they are short of labor, came to 24 for major companies in February, compared with 25 three months earlier.

The index of product inventories, or the percentage of those having excessive stocks minus those feeling a shortage, came to 14, unchanged. The index is expected to improve to 7 by June.

As for production overseas, 177 manufacturers expect a combined 9.6 percent yearly increase for fiscal 1995, compared with an expected 12.6 percent growth in fiscal 1994, bringing the ratio of overseas production to the total up to 19.5 percent from 18.5 percent.

For overseas capital spending, 154 manufacturers plan a 3.4 percent rise in fiscal 1995, compared with an expected 2.1 percent gain in fiscal 1994, with the ratio of overseas investment to the total rising to 24.5 percent from 24.1 percent the previous year.

The survey started calculating the trend in manufacturers' production and investment overseas every six months as firms are increasingly shifting their activity overseas, Takeshima said.

The ratio both of overseas production and investment will gradually increase under industrial adjustment in line with recent globalization and international division of production, he said.

Takeshima said, however, that the trend does not mean domestic production and investment activities will shrink.

Quake Triggers Pause in Economic Recovery

OW0303061595 Tokyo KYODO in English 0600 GMT 3 Mar 95

[FBIS Transcribed Text] Tokyo, March 3 KYODO—Business sentiment among major Japanese manufacturers has continued to improve but the recovery trend came to a halt among major nonmanufacturers due to the Jan. 17 major earthquake in western Japan, the Bank of Japan (BOJ) said Friday.

The quarterly "Tankan" business sentiment survey conducted in February showed the diffusion index stood at minus 21 at major manufacturers, an improvement from minus 29. But the index improved only marginally at

major nonmakers, from minus 30 to minus 29, the survey said. A BOJ official said, "the recovery trend paused at major nonmakers due to the earthquake."

"But that does not mean the overall Japanese economy, which has been showing signs of moderate recovery, will be affected in the near future," the official said. Business confidence of both major manufacturers and nonmanufacturers has continued improving since the May survey. The confidence index represents the percentage share excess of companies observing better performance over those seeing otherwise.

Major manufacturers and nonmanufacturers plan to reduce their capital investment for fiscal 1995 by 1.0 percent. In November, both sectors reduced by 3.9 percent their planned capital investment for fiscal 1994, but in February this was revised to a cut of 5.6 percent. Corporate sales will rise 2.2 percent at makers in fiscal 1995 while their earnings will increase 21.0 percent, the survey said.

Earnings will drop 3.4 percent at nonmakers in fiscal 1994, while they can expect a growth of only 5.5 percent in fiscal 1995. "The so-called balance sheet problem has been delaying their (nonmakers) economic recovery," said the BOJ official.

The labor index, or the percentage of firms having excessive labor forces minus those suffering shortages, came to 24 in February, compared with 25 three months earlier. The index of product inventories, or the net number of companies reporting excessive stockpiles, stood at 14, unchanged.

Disaster Aid Cooperation With U.S. Expected

OW0303021395 Tokyo KYODO in English 0152 GMT 3 Mar 95

[FBIS Transcribed Text] Tokyo, March 3 KYODO—Japan will propose cooperation with the United States in helping developing nations prepare much more against natural disasters, government sources said Friday.

The proposal for adding antidisaster measures to the list of items for Japan-U.S. Cooperation on a global scale will be made at subcommittee-level framework agreement talks scheduled for May, the sources said.

The sources said Japan will also propose the establishment of a framework for extending international emergency aid in the event of major natural disasters such as earthquakes, volcanic eruptions, typhoons and floods in view of the government's bitter experiences in the Jan. 17 Great Hanshin Earthquake.

French Economic Minister Urges Deregulation

OW0303081095 Tokyo KYODO in English 0719 GMT 3 Mar 95

[FBIS Transcribed Text] Tokyo, March 3 KYODO—French Economic Minister Edmond Alphandery urged

Japan on Friday [3 March] to promote deregulation but said the European Union has no plan to take retaliatory action.

Alphandery, in a lecture in Tokyo, said Japan's deregulation is necessary for the stable growth of the European market.

He said the unification of European currencies is a priority issue and that it is a process of no return.

The success of the process will lead to stability of the international monetary system, he said.

Alphandery met Japan's International Trade and Industry Minister Ryutaro Hashimoto on Thursday, during which time both sides reached a comprehensive accord to promote joint projects in third nations through joint trade insurance coverage.

Japanese officials said the first undertaking under the accord will be a 480 million dollar plan to build a new oil refinery in Uzbekistan.

Tokyo Considers Partial Funding for CERN

OW0303064395 Tokyo KYODO in English 0623 GMT 3 Mar 95

[FBIS Transcribed Text] Tokyo, March 3 KYODO—Japan will consider contributing part of the funds for a project to build the world's largest particle accelerator, Education Minister Kaoru Yosano said Friday.

Yosano told a press conference that because Japan "has great interest" in the project, the ministry will consider financially assisting the European Laboratory for Particle Physics (CERN) to build the accelerator on the border between Switzerland and France.

CERN is planning to build by the year 2004 a large hadron collider (LHC), a huge accelerator in which protons will collide at a speed close to that of light. Researchers will be able to study any unknown subatomic particles which arise as a result of the collisions.

Llewellyn Smith, head of the laboratory based near Geneva, visited the ministry Thursday and asked for Japan, together with the United States and Canada, to provide a total of 500 million dollars to assist the 3.5 billion dollar project, Yosano said.

Domestic, Import Price Gap Cited

OW0303115795 Tokyo KYODO in English 0937 GMT 3 Mar 95

[FBIS Transcribed Text] Tokyo, March 3 KYODO—A governmental panel surveying prices of domestic and imported products said Friday [3 March] that a wide price gap still exists between them.

The conference on price stabilization policy said its survey on prices as of November 1993 showed that the gap was especially big in popular brands of cosmetics

and women's clothing due largely to strong demand, high distribution costs and the pricing system.

Prices of ordinary clothes in Tokyo were 1.36 times higher than in New York and 1.02 times greater than in Paris, but those of popular brands of fashionable clothing were 2.01 times higher than in New York and 2.08 times higher than in London, the panel said.

In the cosmetics sector, popular brands of products, including lipsticks were 5.29 times more expensive in Tokyo than in New York and 3.72 times dearer than in Paris, it said.

The panel called for simplification of import procedures to bring down the prices of imported products.

Tokyo Urged To Open Market for Thai Products

BK0203070595 Bangkok Radio Thailand Network in English 0000 GMT 2 Mar 95

[FBIS Transcribed Text] Foreign Minister Krasae Chanawong has urged Japan to open up its market for Thai products. The call was made during a luncheon hosted by the Japanese Federation of Economic Organizations, Keidanren, on Tuesday in Tokyo. The luncheon was in honor of the Thai foreign minister, who concluded his five-day visit to Japan yesterday.

In his speech, Foreign Minister Krasae said there were still vast opportunities for Japanese business people to invest more in Thailand, especially in Economic Zone 3, which comprises less developed provinces.

Apart from investing in Thailand, the minister said Japanese business people might undertake joint ventures with Thai counterparts in operating in Indochinese countries, namely Vietnam, Laos, and Cambodia.

He believed that the products manufactured jointly by Thailand and Japan will be of good quality to compete in the world market. Minister Krasae said he believed that the Keidanren was in a position to help in development of Indochina.

He said Thailand had been providing training in various fields to Indochinese personnel. The minister also encouraged Japan to give financial support to Indochinese officials so that more of them could receive training in Thailand.

Red Cross Rejects Request on Comfort Women

OW0203144195 Tokyo ASAHI SHIMBUN in Japanese 2 Mar 95 Morning Edition p 1

[FBIS Translated Text] It was learned on 1 March that the Japanese Red Cross Society [JRCS] has rejected the government's proposal to set up a secretariat of a private fund designed to provide a lump sum payment to former military "comfort women" [who were forced into prostitution during WWII] within the JRCS. Therefore, the government has been forced to revise part of its private fund project. The Murayama administration has been

tackling the fund project as the most important task of the post-war compensation issues. Behind the JRCS's rejection is criticism of the private fund project by foreign non-governmental organizations (NGO's) and other organizations. The JRCS is also worried that it would be publicly involved in the delicate issue which might divide public opinion. Since negotiations between the JRCS and the Cabinet Councilors' Office on External Affairs [CCOEA], a government contact office, have broken down, the Health and Welfare Ministry has begun coordinating the negotiations. However, it seems difficult for the JRCS to accept the government proposal.

Prime Minister Tomiichi Murayama announced the private fund project in August 1994. The government and the ruling parties actively discussed the issue from November through December, and they have decided to promote in a concrete manner the project of the "Asian Peace and Friendship Fund for Women."

In maintaining the government policy of not compensating former comfort women individually, the government intends to allocate official funds for management of related organizations and other purposes.

It plans to launch a fund-raising drive in fiscal 1995. The fiscal 1995 budget bill includes 480 million yen as subsidies for a fund-raising campaign, a survey on overseas situations, and other concerned programs.

The JRCS was mentioned as a candidate for secretariat of the private fund in late November 1994. According to the JRCS, a request "came suddenly." A senior government official made a verbal request in late December, and the CCOEA made the request again in early January 1995.

Meanwhile, among the problems pointed out by the JRCS are: 1) the details of the project—such as the way of finding out recipients of solatium, the decision on the amount of solatium, methods of payment, and methods of consulting with concerned nations—and the handling of a possible shortage of funds are unclear; and 2) there is criticism abroad of the private fund project—for example, the UN Commission on Human Rights' special official in charge of "violence to women" is scheduled to visit Japan soon to investigate the comfort women issue.

The CCOEA has stated that it "has not given up" the plan to set up the secretariat within the JRCS. However, Cabinet Councilor Yoshiki Mine said: "Although we have also asked other public-service cooperatives, it is not easy to find one that can serve as a secretariat. Unless the secretariat issue is solved, we cannot carry out the project."

SDPJ Resolution To 'Express Regret' for War

OW0303062695 Tokyo KYODO in English 0606 GMT 3 Mar 95

[FBIS Transcribed Text] Tokyo, March 3 KYODO—Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) [Social Democratic Party of Japan - SDPJ] will express regret and contrition over Japan's

colonial rules and atrocities in other Asian countries before and during World War II, party officials said Friday.

The SDP wants to insert clear words of regret for Japan's actions in its invasion into Asian countries into a proposed Diet resolution to renounce wars, the officials said.

Among the historical facts to be particularly singled out are colonial rules on the Korean peninsula, invasion into China after 1931 and invasions into other Asian nations, and atrocities and cruelties perpetrated there.

The party's discussions should focus on these issues when drafting its own war-renouncing resolution proposal to mark the 50th anniversary this year of the end of the war. The party plans to announce its stance to Japan's actions during the war as its own assessment of history, separate from the resolution.

The party will propose that Diet members pledge in the resolution to make international contributions as a pacifist nation on the basis of strict soul searching over past actions and the ideals of the constitution. The party also plans to point out the "inhumanity" of the former Soviet Union's unilateral cancellation of the bilateral agreement on neutrality toward the end of the war and its treatment of the Japanese prisoners of war in the former Soviet Union as well as the U.S. atomic bombing of Hiroshima and Nagasaki.

The three coalition partners—the SDP, the Liberal Democratic Party (LDP) and New Party Sakigake—have agreed on a Diet resolution to commemorate the 50th anniversary of the war's end. They are, however, not monolithic about what the resolution should say, and some LDP lawmakers formed a group to oppose such a resolution. The group argues the handling of Japan's wartime actions is already over and that the Diet has no authority to make judgments about history.

LDP Secretary General Yoshiro Mori made it clear Friday that the resolution should not renounce wars or apologize for Japan's actions during the war. "I don't think it will concern the renouncing of wars or an apology. It must be something that the entire Japanese people can accept," Mori said at a press conference.

The opposition Shinshinto (New Frontier Party) has also voiced objections to any "apology" over the war, saying such a step would put a permanent stigma on the Japanese people.

Wataru Kubo Criticizes LDP's on Resolution

OW0303113395 Tokyo KYODO in English 0921 GMT 3 Mar 95

[FBIS Transcribed Text] Tokyo, March 3 KYODO—A top Social Democratic Party (SDP) [SDPJ—Social Democratic Party of Japan] official on Friday [3 March]

blasted the SDP's coalition partner, the Liberal Democratic Party (LDP), for yielding to pressure from right-wing LDP members against a proposed Diet resolution to renounce war.

SDP Secretary General Wataru Kubo was referring to the LDP's deletion of comments by prime minister and SDP Chairman Tomiichi Murayama on Japan's wartime atrocities from its campaign platform for local elections in April.

"It's very significant that the deletion was made at the request of a group of (LDP) lawmakers opposed to the Diet resolution to renounce war," Kubo told a press conference.

The three parties making up the coalition—the SDP, LDP and New Party Sakigake—have agreed on a Diet resolution to commemorate the 50th anniversary of the end of World War II.

But they remain at odds over what the resolution should say, and the LDP parliamentarians' group has voiced opposition to it.

Kubo reiterated that the resolution should be adopted in the current session of the Diet.

"It's a pledge to adopt such a resolution on the basis of the triangular agreement and it should be done sincerely," Kubo said.

The SDP wants to insert clear words of regret for Japan's invasion of Asian countries during the war into the proposed Diet resolution.

Panel Adopts Tax Measures for Reconstruction

*OW0303131695 Tokyo KYODO in English 1215 GMT
3 Mar 95*

[FBIS Transcribed Text] Tokyo, March 3 KYODO—A project team set up by the ruling coalition to study tax reform adopted on Friday [3 March] a second package of special tax measures to promote reconstruction work following the Jan. 17 earthquake in western Japan, coalition sources said.

The second package includes tax exemption for interest on workers' savings for property investment even if quake victims withdraw the funds for purposes other than buying or building homes, the sources said.

The tax break is aimed at helping the victims meet their funding requirements.

Under the first quake-relief package, interest on the savings is tax-free as long as they are used for buying or building homes. A uniform 20 percent tax is levied if the savings are used for other purposes.

To promote the construction of rental homes, the new package envisages permitting depreciation 1.5 times more than usual for the first five years of construction, the sources said.

The package also calls for a three-year freeze on the imposition of taxes on land with collapsed buildings. The project team expects the land-tax freeze to promote the construction of new buildings by department stores and other businesses.

The panel will combine those measures with a corporate tax cut and other steps for submission to the Diet, hoping that the new package will be approved by lawmakers by the end of fiscal 1994 on March 31.

The first package of measures featuring income-tax cuts has already passed through the Diet.

Ministry Plans Resident 'Numbering System'

*OW0103085495 Tokyo KYODO in English 0815 GMT
1 Mar 95*

[FBIS Transcribed Text] Tokyo, March 1 KYODO—The Ministry of Home Affairs plans to introduce a resident numbering system as early as fiscal 1998 so as to raise efficiency in administration, a ministry official said Wednesday [1 March].

The move comes in line with a proposal by a government-commissioned study group that each resident be given a 10-digit identification number and number-stamped card that will allow every resident to be identified quickly for administrative services anywhere.

In an interim report presented Wednesday to the ministry, the group recommends that such numbers be administered at a national computer center together with existing resident-recording books managed by each municipality.

The report proposes that each local prefecture have its own computer center to manage such numbers so that data can be protected even in the event of natural disasters.

It says, however, that the government must obtain the understanding of residents because such a numbering system would have significant social impact.

The report leaves open to future deliberation the issue of how to protect each resident's privacy, making it certain that heated public debate over such a numbering system will arise.

It also stresses the need to take measures to prevent forgery and fraud involving such number-stamped cards.

The ministry aims to begin work on rewriting the law governing residents' record books once it receives a final report expected in June, the ministry official said.

Masao Horibe, a professor at Hitotsubashi University, cautioned the government against being hasty in introducing such a numbering system.

"At present, there is no public consensus and no legal measures against the violation of privacy. Moving toward it in haste is like a car running at high speed even

without road traffic rules and signals, so it will be the cause of later trouble," he said.

The tax commission, an advisory panel to the prime minister, is also studying the possibility of introducing a taxpayer numbering system by making use of residents' record books and numbers for pensioners.

New Frontier Party Seeks Takemura's Resignation

*OW0203143695 Tokyo KYODO in English 0809 GMT
2 Mar 95*

[FBIS Transcribed Text] Tokyo, March 2 KYODO—The main opposition party Shinshinto (New Frontier Party) plans to tighten the screws on Finance Minister Masayoshi Takemura over a plan to bail out two moribund credit unions, party officials said Thursday [2 March].

At the party's general meeting, Yuichi Ichikawa, chairman of Shinshinto's Diet Affairs Board, said Takemura should resign to take the blame for the freeze of a 30 billion yen bailout program for the two credit unions saddled with bad loans, the officials said.

"To put it in plain language, the proposed plan was rejected. Finance Minister Takemura, who kept saying he did not expect the plan to be rejected, should resign," Ichikawa was quoted as saying.

At a meeting of its Diet Steering Committee, Shinshinto also reaffirmed its plan to continue firing onslaughts against Takemura and Prime Minister Tomiichi Murayama's entire cabinet, officials said.

"The preconditions for the plan by the Finance Ministry and Bank of Japan have crumbled," Takenori Kanzaki, chairman of the committee, said at a news conference.

The leaders of the ruling parties at the Tokyo Metropolitan Assembly reached a compromise in the early hours of Thursday to freeze the rescue plan and leave a final decision to the new Tokyo governor to be elected in an April 9 poll.

The pact came in eleventh-hour negotiations before two standing committees of the assembly voted on the bailout plan, which costs the local government 30 billion yen in loans with an interest rate of 1 percent per annum.

In line with the compromise, the parties jointly submitted to the panels an amendment to delete from a supplementary budget bill the 30 billion yen in loans to a special bank to take over the liabilities of Tokyo Kyowa Credit Association and Anzen Credit Bank.

Meanwhile, Chief Cabinet Secretary Kozo Igarashi told a news conference the compromise plan does not deviate much from the views of the Finance Ministry and the Bank of Japan, noting Takemura should not be responsible for the development.

Yoshiro Mori, secretary general of the ruling Liberal Democratic Party (LDP), also told reporters it is the Tokyo Metropolitan Assembly that should discuss the handling of the bailout plan, saying Takemura's responsibility will not be questioned.

Koichi Kato, chairman of the LDP's Policy Affairs Research Council, also said, "we intend to defend Finance Minister Takemura firmly."

As for Takemura himself, he expressed regret about the freeze of the bailout plan but reiterated the government's position of sticking to the original program.

Speaking before the House of Councillors Budget Committee, Takemura also proclaimed the need to avoid a credit crunch that could result from the latest development over the plan to rescue the two credit unions.

Elections in Quake-Hit Hyogo Moved to 11 Jun

*OW0303034595 Tokyo KYODO in English 0300 GMT
3 Mar 95*

[FBIS Transcribed Text] Tokyo, March 3 KYODO—The government approved a bill Friday to postpone local elections, which were originally scheduled for April, in quake-hit Hyogo Prefecture to June 11, government officials said. The bill will be submitted to the Diet later in the day and will be enacted as early as next Wednesday, the officials said.

Hyogo Prefectural Assembly and Kobe City Assembly elections were originally scheduled for April 9, and the Ashiya mayor election, and Ashiya and Nishinomiya Assembly elections for April 23.

Hyogo Prefecture's Election Administration Commission had asked the Home Affairs Ministry to delay the elections for prefectural and city assemblies until June 11 because of disruption caused by the Jan. 17 earthquake, which killed more than 5,460 people.

Takemura Takes Responsibility for Bailout Issue

*OW0303050895 Tokyo KYODO in English 0455 GMT
3 Mar 95*

[FBIS Transcribed Text] Tokyo, March 3 KYODO—Finance Minister Masayoshi Takemura pledged Friday to take full responsibility for solving financial problems stemming from the demise of two credit unions.

Takemura told the day's session of the House of Councillors Budget Committee that he cannot avoid responsibility for the financial problems even if they emerged before he took office.

He also promised that his ministry will keep strict control over the new rescue bank that is scheduled to take over the operations of Tokyo Kyowa Credit Association and Anzen Credit Bank on March 20.

Construction Minister Koken Nosaka said at a press conference that a thorough probe should be conducted

into the mismanagement of the two credit unions that led to the amassing of fatal bad loans.

Meanwhile, the Social Democratic Party (SDP) [Social Democratic Party of Japan - SDPJ], one of the three ruling coalition parties, demanded testimonies before the House of Councillors Budget Committee by the former presidents of the two credit firms—Tokyo Kyowa's Harunori Takahashi and Anzen's Shinsuke Suzuki.

The SDP also called for summoning to the committee Former Finance Minister Hirohisa Fujii, Long-Term Credit Bank of Japan President Tetsuya Horie and Tokyo Vice Governor Yoichi Makino. The party put its request on the table at an agenda-setting meeting of the upper house budget panel.

Other parties have already made their own requests, all calling at least for testimonies to be given by the former heads of the two credit unions.

The government's rescue plan for the two moribund credit unions sustained a severe blow Thursday when two Tokyo Metropolitan Assembly committees voted to put on hold the Tokyo Metropolitan Government's plan to extend 30 billion yen in low-interest loans to help fund the controversial scheme.

The freeze has threatened to shake the overall framework of the bailout scheme, which has been devised together with the Bank of Japan and the Finance Ministry as a way to stabilize Japan's credit system. The scheme to use public funds to save the two institutions, which fell into a financial mess due to their lax management, has been criticized by the media and by opposition parties.

Takeo Nishioka, a senior lawmaker of the opposition Shinshinto (New Frontier Party), took Takemura to task over his defense of the salvage plan. "Finance Minister Takemura's remarks that financial turmoil could occur unless the rescue scheme is carried out should be brought into question," Nishioka said at a press conference. "If we were at the helm we would not do such a thing. We will hound the finance minister to make sure he upholds his responsibility," he said.

Backlash on Credit Union Deregulation Cited

*OW0203001895 Tokyo KYODO in English 2319 GMT
1 Mar 95*

[*"News Focus" by Keiko Tatsuta: "Deregulation for Credit Union Seen To Backlash"*]

[*FBIS Transcribed Text*] Tokyo, March 2 KYODO—Calls are growing for stricter administrative control on credit unions as criticism increases over a scheme to set up a new publicly funded bank to absorb two failed credit unions—Tokyo Kyowa Credit Association and Anzen Credit Union—despite their lax management.

Because of their nature as cooperative groups for mutual financial aid among members in limited areas, 373 out of

376 credit unions nationwide are under the control of prefectural governors, while the remaining three, each of which services several prefectures, are under supervision by the finance minister.

Upon detection of chaotic management by the two Tokyo-based credit unions, however, many are pointing to the limits of the prefectural governments' ability to control credit unions in times of financial liberalization.

"Prefectural governments used to decline our offer for joint inspection of credit unions, pleading the spirit of local autonomy," a senior Finance Ministry official said, apparently displeased with reports that 60 percent of local governments want to give up their authority to supervise credit unions.

"At that time, they even asked to take over control of 'shinkin' banks or credit associations from our ministry on the grounds of decentralization," the official said.

The fact is, however, that for a decade, financial liberalization and internationalization have advanced markedly and some credit unions are not what they used to be, with deposits of 1.5-1.6 trillion yen, surpassing some regional banks under ministry control, he said.

If a credit union ceases to be a co-op in a limited area, making it a joint stock company is one idea for stricter control, the official said.

"Anyway, I don't think it right to leave the present supervising system for credit unions untouched, but easily resorting to state control is going too far in times of decentralization," he said.

The official said it should be noted that the business of credit unions covering limited areas has most expanded as a result of financial system reform two and a half years ago.

Hiromi Tokuda, an adviser to Nomura Research Institute, urged prefectural governments to recognize the severity of liberalization of financial transactions, claiming their control sections are shorthanded and unprofessionally staffed.

"The supervising system over credit unions should be improved both qualitatively and quantitatively," said Tokuda.

Tokuda, a former Finance Ministry official, called for a ban or stiff restrictions on credit union directors concurrently holding other company posts.

He also pressed for public disclosure of credit unions' management information, including the amount of bad loans.

Under the present law, credit unions only have to reveal such management details to their members.

The Financial System Research Council, an advisory body to the finance minister, started deliberations

Tuesday on ways to improve inspection and surveillance systems for credit unions, as well as how to deal with failed financial institutions.

Among several ideas are the introduction of information disclosure requirements and outside surveillance by certified public accountants, improvement of joint financial inspection between central and local governments, and establishment of an independent investigation system within Deposit Insurance Corp.

Ryuichiro Tachi, professor of economics at Aoyama Gakuin University, said the original purpose of organizing credit unions has changed with deposits by and lending to nonmembers increasing.

"I have always been aware of the need for thorough reviews of what cooperative financial institutions should be," Tachi said.

If there is no longer a need for such co-op financiers, changing their status is one option, as in the case of mutual loans and savings banks which were converted into commercial banks in the late 1980s and early 1990s, Tachi said.

Tachi, who is a leading member of the finance minister's advisory panel, said that one of the problems with credit unions is that their close regional coverage and tendency to have cozy relations with influential local figures are opposite sides of the same coin.

With any further administrative interference, however, there is a danger of reverting to the days of regulation a decade ago, Tachi said.

Tachi called for the introduction of highly transparent inspection procedures with clear-cut rules, as well as for thorough disclosure.

Meanwhile, an official of Shinkumi Federation Bank, an association of credit unions, defended its members from stronger control, saying, "The two credit unions in question are exceptions and most other credit unions are managing fairly well."

Although credit unions have their share of nonperforming loans in the wake of the collapse of the "bubble" economy, just like other financial institutions, they have diversified their business quite well.

"Diversification is natural in times of liberalization," the official said. "All we want is that local governments make appropriate investigations."

Poll Negative on Public Corporation Reform Plan

OW0303025295 Tokyo YOMIURI SHIMBUN in Japanese 2 Mar 95 Morning Edition p 2

[FBIS Translated Text] Half of those surveyed negatively assessed a plan for streamlining special public corporations, which the government launched as a part of its administrative reform. Regarding future promotion of administrative reform by the Murayama cabinet, more

than 60 percent of respondents said: "It cannot be expected." This was disclosed by an opinion poll YOMIURI SHIMBUN conducted on 25 and 26 February.

Regarding the government's decision to shelve the issue of merging government-affiliated financial institutions, a focal point of the recent plan, 24 percent of respondents said they had the impression "Prime Minister Murayama is lacking leadership power." This was the number one answer to a question on the government's decision. Twenty-three percent answered: "Politicians lack discipline." The poll thus shows the people's strong dissatisfaction and irritation with the prime minister and politicians, who have been unable to defeat "bureaucratic opposition" although they said administrative reform was an important task.

On the review of special public corporations, 29 percent of respondents said they "positively assessed" the government's efforts "very much" or "to some degree." On the other hand, 50 percent said they "negatively assessed it." Of those who support the Murayama cabinet, 41 percent said they "negatively assessed" the review effort. This is slightly more than the percentage of people who highly valued the effort. Of those who do not support the current cabinet, more than 60 percent negatively assessed the effort. On whether or not the Murayama cabinet can realize administrative reform, including deregulation and decentralization of power, the number of respondents who answered rather indifferently reached 63 percent, while only 25 percent answered "it can be expected."

Dismantling of EIBJ Worries IMF, Others

OW0303110595 Tokyo ASAHI SHIMBUN in Japanese 2 Mar 95 Morning Edition p 2

[FBIS Translated Text] The idea is surfacing within the ruling parties of splitting or dismantling the Export-Import Bank of Japan [EIBJ] as part of their plan to streamline the government-invested financial institutions. It is learned that in reaction, top officials of the International Monetary Fund (IMF), the World Bank [WB], the Inter-American Development Bank, and Peruvian President Fujimori have sent personal letters to Prime Minister Murayama, expressing their concern over this idea.

Iglesias, president of the Inter-American Development Bank, and Peruvian President Fujimori, in their personal letters addressed to the prime minister, and Camdessus, managing director of the IMF, and Stan [name as transliterated], acting president of the World Bank, in their letters addressed to Japanese directors with the IMF and the World Bank, expressed their concern over the idea. Their personal letters and letters have been sent from mid-February to late February.

According to a government official who is aware of the contents of the personal letters and letters, they have

stressed the role the EIBJ has played in providing financial assistance for the development of developing countries in Latin America, and then expressed great concern over the idea of splitting the EIBJ. They also have urged the prime minister not to break up the EIBJ, saying, "Japan should highly rate the EIBJ."

The EIBJ has extended loans to financial institutions in developing countries, which have been in financial crisis, as part of the plan to recycle Japan's trade surplus while providing Japanese enterprises with trade and investment financial service. The EIBJ has provided funds to Mexico in a bid to help that country reduce accumulated debts. It also extended \$860 million in relief loans to Peru until the spring of 1993 when the IMF began lending money to that country. It seems that the IMF and other international banking institutions fear that the breakup of the EIBJ could make it hard to smoothly promote such an international financial assistance.

With regard to the issue of streamlining and merging the government-invested financial institutions which have become the focal point of the reform of special public corporations, the ruling Liberal Democratic Party [LDP] has put forth a plan to merge the EIBJ with the Japan Development Bank, and the plan has met with opposition from Finance Minister Takemura. The government, therefore, has decided to work out plans to deal with the issue of streamlining and merging the government-invested financial institutions within March.

The idea has recently surfaced within the ruling parties, especially within the LDP, of dividing the banking service thus far rendered by the EIBJ between the Japan Development Bank and the Overseas Cooperation Fund after splitting or dismantling the EIBJ.

DA To Revise Law To Expedite SDF Response

OW0303125295 Tokyo MAINICHI SHIMBUN in Japanese 1 Mar 95 Evening Edition p 1

[FBIS Translated Text] Taking lessons from the great Hanshin earthquake, the Defense Agency [DA] decided on 1 March to give more authority to the Self-Defense Forces [SDF] for efficient rescue operations in disasters. It began the review of the Disaster Countermeasures Fundamental Law and the SDF Law. The agency has determined that in order for the SDF to conduct rescue operations more efficiently, they should be given the authority to remove obstacles from roads, enforce road traffic restrictions, and enforce flight restrictions to ensure safe passage of SDF helicopters and planes. The ruling coalition's "Disaster Prevention and Crisis Management Project Team" has also proposed revisions to the disaster countermeasures law to give more power to the SDF. The DA intends to submit bills to amend the laws to the current Diet session after consulting with the National Land Agency.

Article 94 of the SDF Law permits SDF personnel to issue warnings to residents of disaster-hit areas, evacuate residents, and enter private premises to rescue victims in place of police officers.

However, this authority is limited to cases "when police officers are not immediately available." The disaster countermeasures law also does not give the SDF the authority to enforce any of the 60 emergency antidisaster activities provided for in the law, including the emergency transportation of victims.

Traffic snarls in the recent Hanshin earthquake caused delays in the SDF troops' arrival in quake-stricken areas, and it was not until two days after the earthquake that the Transport Ministry enforced flight restrictions to give priority to SDF helicopters engaged in rescue operations. In response to criticism for such slow responses, an interim report published by the ruling coalition's crisis management project team, (which was formally inaugurated on 28 February), calls for revising the disaster countermeasures law "to clarify the role of the SDF and enable efficient mobilization of SDF personnel."

The DA has verified what were obstacles to the SDF activities in the Hanshin quake. After consulting with the Ground Staff Office on 1 March, it concluded that the SDF should be given the authority to enforce 15 emergency measures, such as: 1) To order people to leave disaster-hit areas; 2) to designate danger zones; 3) to clear debris in order to rescue trapped people; 4) to enforce road traffic restrictions; 5) to enforce flight restrictions to give priority to the passage of SDF planes; and 6) to transport relief supplies. The agency has started negotiations with relevant government offices on revisions to the disaster countermeasures law.

The DA will also revise Article 94 of the SDF Law to enable the SDF to efficiently conduct rescue operations even if police officers are immediately available. However, the agency has no intention to give the SDF authority to decide on its own the dispatch of troops to disaster-hit areas, or to upgrade SDF's antidisaster activities to be their main duty. According to a senior DA official, "such things will not be necessary if the system to mobilize SDF troops is improved".

Coalition Submits Crisis Management Report

OW0203142195 Tokyo NIHON KEIZAI SHIMBUN in Japanese 1 Mar 95 Morning Edition p 2

[FBIS Translated Text] On 28 February, the ruling coalition parties' Hanshin-Awaji Great Earthquake Countermeasures Headquarters (headed by Wataru Kubo, secretary general of the Social Democratic Party of Japan) held a meeting and approved interim reports separately compiled by the crisis management and the disaster restoration project teams. The reports were then submitted to Prime Minister Tomiichi Murayama by Koichi Kato, chairman of the Liberal Democratic Party Policy Research Council, and other ruling party policy coordinators.

Among the pillars of the "Interim Report on Crisis Management" are: 1) the review of the administrative

framework regarding disaster countermeasures, looking into the U.S. Federal Emergency Management Agency (FEMA) and others as good examples; and 2) reinforcing the authority to remove that which blocks traffic so as to ensure smooth passage by fire department, police, and Self-Defense Forces emergency vehicles. In the "Interim Report on Hanshin-Awaji Area Restoration Measures," the disaster restoration project team calls for promptly setting up a restoration fund and conducting the second phase of surveillance to get a grasp on the actual number of housing units needed.

North Korea

U.S. Blamed for Polish Withdrawal From NNSC

SK0303104795 *Pyongyang KCNA in English* 1002
GMT 3 Mar 95

["U.S. Must Act With Reason"—KCNA headline]

[FBIS Transcribed Text] *Pyongyang, March 3 (KCNA)*—The United States is these days building up public opinion arguing that South Korea is a "party concerned" for the conclusion of a peace agreement and, on the other hand, charging the DPRK with "coercion" and "violation of the Armistice Agreement" over the withdrawal of the Polish delegation to the Neutral Nations Supervisory Commission [NNSC].

Commenting on this, NODONG SINMUN today warns the United States to act with reason.

It accuses the U.S. of going against the preservation of peace on the Korean peninsula, far from acceding to the DPRK-proposed establishment of a new peace mechanism.

The news analyst says:

It is the United States that signed the Armistice Agreement, and it is also the U.S. that holds and exercises the operational control over the Armed Forces as a whole in South Korea.

Nevertheless, the U.S. is describing South Korea as a "party concerned" for the conclusion of a peace agreement, because it does not want peace on the Korean peninsula.

The bellicose quarters of the United States are crying over "threat from the North" and "critical situation." This is a mean act to justify their preparations for another war and shift on to the DPRK the responsibility for the failure to guarantee peace on the Korean peninsula.

As for the withdrawal of the Polish delegation, we could not but take that measure under the situation created by the United States. The U.S. side not only paralysed the function of the Military Armistice Commission but revoked the articles of the Armistice Agreement on the mission of the Neutral Nations Supervisory Commission long ago, thus leaving the NNSC only in name.

As a matter of fact, the NNSC has nothing to do. If any, it justifies the new war preparations of the United States.

Whether a war breaks out or peace is preserved on the Korean peninsula depends on the United States.

U.S. 'Must Accede' to Peace Agreement Proposal

SK0303025195 *Pyongyang Korean Central Broadcasting Network in Korean* 1221 GMT 2 Mar 95

[Kim Ho-sam commentary: "The Parties Related to the Establishment of a New Peace Guarantee System Are Our Republic and the United States"]

[FBIS Translated Text] Unreasonable assertions on the establishment of a new peace guarantee system on the Korean peninsula have recently been put forward in the United States.

The content of such assertions is that the parties related to the conclusion of a new peace agreement are not us and the United States but the North and the South on the Korean peninsula.

The report on U.S. security strategy in the East Asian and Pacific area issued by the U.S. Department of Defense, states the same thing.

In this report, Nye, assistant secretary of defense for international security affairs, said that the peace agreement that will replace the Armistice Agreement is an issue which should be resolved between the North and the South on the Korean peninsula. Therefore, the United States will not hold any discussion with our Republic on this issue.

What is even more ridiculous is that some forces in Europe, who live by reading the faces of others, are dancing to the tune of the United States.

The U.S. attempt to bring the South Korean puppets into a new peace guarantee system on the Korean peninsula shows that the U.S. imperialists do not want peace and reunification of the Korean peninsula but intend to control this area by means of force and to realize their policy of aggression at any cost.

The U.S. remarks that the North and the South on the Korean peninsula are the parties related to the establishment of a peace guarantee system are a totally unreasonable sophism and a preposterous claim not worth consideration in reality.

First of all, the U.S. remarks are not proper from the legal standpoint. As has been known to all, when the war ended in Korea and the Armistice Agreement was concluded, those who signed the agreement were the representative of our Republic and the representative of the United States of America representing the UN Command.

At the time, the South Korean puppets were not a UN member state nor were they members of the UN Forces. Moreover, the Syngman Rhee regime, which ruled South

Korea at the time, frantically opposed the signing of the Armistice Agreement. This is a fact well known to the entire world.

This being the situation, it is totally unreasonable that we should discuss and resolve the issue of a peace guarantee system with today's Kim Yong-sam puppets, who succeeded the colonial puppet regimes.

The United States should keenly realize that such stubborn insistence by itself will not work for anyone. The Kim Yong-sam group, in actuality, has no sovereignty, and the prerogative of the supreme command of the military is being exercised by the commander of U.S. Forces in South Korea.

Regarding the so-called peacetime operational command being turned over to the South Korean puppets late last year, they are loudly talking as if they are exercising sovereign rights. However, this is merely a false show of power of the colonial puppets.

Although the United States transferred peacetime operational command to South Korea, the U.S. Army still completely holds control of essential military activities, such as joint exercise and military information. The South Korean puppet army is obliged to stand guard and only has the right to move units. As the facts stand, no further explanation is needed for why we can not sit face to face with the hired army of colonials which has neither the legal basis, nor any real power. [ichorom pomnyul joguro poado amuron tadangsongi opko hyonsilchogurodo amuron silgwonul motkajin singminji koyongbyongdulgwa uriga majuanjulsu optanun kosun tosolmyonghal piryodo omnungosimnida].

A principal party concerned with guaranteeing peace on the Korean peninsula, the United States has unavoidable responsibility for this. Accordingly, the United States must fulfill its duty as a party concerned.

In fact, establishing a new peace system on the Korean peninsula is emerging as an imminent issue that cannot be delayed any further. Now the current armistice organization is completely paralyzed because the U.S. side has systematically infringed upon and broken the Armistice Agreement [chigum chongjon kigunun migukchugi chongjong hyopchongul chegyejoguro yurin pagochaetki ttaemune wanjonhi mabisangtae issumnida].

The U.S. side forcibly [kangjero] withdrew the inspection teams of the Neutral Nations Supervisory Commission [NNSC] from the area of its side of Panmunjom in June 1956. In June 1957, it also unilaterally broke an Armistice Agreement article that specifies the NNSC's primary duty as that of preventing military personnel and operational materials from being brought into Korea. Thus, the NNSC became virtually void but in name.

Furthermore, the United States appointed a general of the South Korean puppet army, which is not a party concerned with the Armistice Agreement and has no

rights to it, a senior member of the Military Armistice Commission [MAC] in March 1991, thus also paralyzing the MAC function.

Under this situation, our Republic took the initiative in April 1994 to propose holding negotiations to establish a new peace guaranteeing system. This is totally an expression of our Republic's earnest and sincere efforts.

However, the U.S. side acts in complete contradiction to our efforts. As U.S. Assistant Secretary Nye stated, the United States has canceled plans to withdraw the U.S. occupation forces from South Korea and is trying to increase its Naval and Air Force troops in South Korea. They are even discussing the creation of the so-called Northeast Asia troops.

Under this situation, it becomes more urgent for the DPRK and the United States to establish a new peace guaranteeing system. We have invariably insisted on preventing aggravation of tensions on the Korean peninsula by any means, putting a complete end to the armistice situation, and establishing a new system to guarantee durable peace.

The United States must accede to the proposal for the establishment of a new peace guaranteeing system with a sincere attitude, instead of creating artificial obstacles and avoiding its duty as a party to the agreement.

If the United States complicates issues that should be resolved between the DPRK and the United States, as it is doing now, it will face greater denunciation from the people of the world.

U.S. Officials' Remarks on N-S Dialogue Viewed

SK0203151495 Pyongyang KCNA in English 1505 GMT 2 Mar 95

["Unreasonable Demand Must Be Withdrawn"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, march 2 (KCNA)—Some U.S. officials at a recent hearing at the Asia-Pacific subcommittee of the U.S. House Foreign Relations Committee described inter-Korean dialogue as a vital article of the framework agreement between the DPRK and the United States. They strangled out the jargon that the DPRK "has failed to implement the article of the framework agreement on inter-Korean dialogue" and declared they would "maintain close cooperation" with South Korea to resolve this issue.

NODONG SINMUN today brands this as a mockery of the agreement and a deliberate, premeditated act to lay hurdles in the way of its implementation.

The news analyst says:

Inter-Korean dialogue is neither a precondition for the implementation of the framework agreement nor its vital article.

It is not for the purpose of resuming inter-Korean dialogue that the DPRK and the United States have adopted and are implementing the framework agreement. Its main purpose and objective are to resolve the nuclear issue on the Korean peninsula, build confidence and promote reconciliation between the DPRK and the United States and normalise their relations.

As a matter of course, it is our consistent and invariable position to find a negotiated solution to the pending issues between the North and South of Korea.

The North is not to blame for the suspension of inter-Korean dialogue. It is the Kim Yong-sam group that broke up all channels of dialogue with a frantic anti-DPRK campaign, feeling no responsibility and making no apology for the antinational, antiethical crime it committed at the time of the misfortune of fellow countrymen, to the consternation of the world.

If the inter-Korean dialogue is to be resumed, a favorable atmosphere must be created and, to this end, the framework agreement between the DPRK and the United States must be implemented smoothly.

For the conservatives of the United States to charge the DPRK with "failing to implement the article of the framework agreement on inter-Korean dialogue" is an unreasonable and outrageous argument which is quite contradictory to the content of the agreement. This is a despicable attempt to incriminate the DPRK by shifting on to it the blame for the complex situation in the implementation of the agreement.

The outcry of the U.S. conservatives for "close cooperation" with the South Korean puppets over the implementation of the agreement is aimed at improving the image of their stooges exposed to international disgrace for being excluded from the adoption and implementation of the agreement. This shows the U.S. one-sided policy in favor of the South Korean puppets remains unchanged and it still intends to keep hold on South Korea as a colony and military base and stifle the DPRK.

Inter-Korean dialogue is none of a third party's business. It depends on the decision and judgement of the DPRK.

It is plain how the agreement will end up in case the hardline conservatives of the United States continue setting unreasonable conditions in violation of the spirit of the agreement.

They had better judge the matter with reason and act with discretion.

ROK Moves 'To Block' Peace Mechanism Alleged
SK0303051295 Pyongyang KCNA in English 0435
GMT 3 Mar 95

["Impudent Utterances of Colonial Puppets"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 3 (KCNA)—The South Korean puppets recently made foolish remarks that the assertion of the North in regard to the issue of the parties responsible for establishing a new peace mechanism is an argument devoid of validity", according to a radio report from Seoul.

The balderdash of the puppets is no more than a petty jargon to block the establishment of a new peace mechanism on the Korean peninsula.

The puppets are insisting that the United States is not a party concerned because it signed the Armistice Agreement on behalf of the United Nations and that South Korea is a "party concerned". This is an incoherent far-fetched argument.

As repeatedly clarified by the North, the issue of establishing a new peace mechanism in place of the present Armistice Agreement on the Korean peninsula must be settled between the DPRK and the United States.

The United States is a legal party concerning the establishment of a new peace mechanism.

The "U.N. Forces Command" which signed the Korean Armistice Agreement is no more than the "U.N." signboard given by the United States to the armies of its satellite states during the Korean war.

Thus, it is as clear as noonday that the United States is a party concerned in the issue of establishing the peace mechanism.

It is indeed impudent for the puppets to try to poke their nose into the issue of establishing the peace mechanism when they cannot exercise the supreme command of their Armed Forces and, moreover, they have no authority toward the U.S. Forces present in South Korea.

Though the puppets who have neither voice nor power edge into this issue, there is nothing to be solved and, on the contrary, the situation will be more complicated.

The criminal move of the puppets to block the establishment of the peace mechanism is doomed to failure.

Declaration on Independence Published in ROK
SK0303053095 Pyongyang KCNA in English 1518
GMT 2 Mar 95

[FBIS Transcribed Text] Pyongyang, March 2 (KCNA)—Some 400 [word indistinct] of religious, art and academic circles of South Korea made public a "March 1 declaration on national independence" on February 27 calling for confirming the national identity and opening up an era of reunification through reconciliation and unity between the North and the South, according to a radio report from Seoul.

In the declaration, they vowed to fight for the abolition of the law and system blocking mutual understanding

between the North and the South and lay the foundations for independent national economy by blocking economic dependence.

"(?Were) that we are in the historical era of great turn when we should open up a phase of reunification, we strive for the abolition of the law and system blocking the liquidation of survivals of the Japanese imperialists and [word indistinct] establishment of a peaceful system," they stressed.

Dailies Criticize Kim Yong-sam's Mar 1 Address

*SK0303051195 Pyongyang KCNA in English 0442
GMT 3 Mar 95*

["Shameless Imitation of Marionette"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 3 (KCNA)—Papers here today comment on the "address" of the traitor Kim Yong-sam at a "ceremony commemorating the anniversary of the March 1 uprising." In the "address" he tried to whitewash his ugly image—a rare traitor to the nation and a colonial stooge—only to reveal his true color as a human derelict lost to national conscience and elementary human reason.

An analyst of NODONG SINMUN says:

A close look at Kim Yong-sam's "address" makes us suspect that he, mentally deranged, copied the report made at the meeting held in Pyongyang to mark this anniversary and read it.

Independence and sovereignty are words that can be spoken only by the North which has built a powerful socialist state, independent, self-sufficient and self-reliant in defence, and is demonstrating the grand appearance of the tangun nation worldwide. The traitor Kim Yong-sam, who is bent on perpetuating the division of the nation, selling off the dignity and sovereignty of the nation as a colonial stooge of foreign forces, is not entitled at all to utter these words.

Kim Yong-sam complained that the North is "slandering" the south. This is the height of folly. What we speak to the puppets is not slander but a legitimate criticism and reasonable reproach on the Kim Yong-sam group engaged in criminal acts against independence, the nation, democracy and reunification.

Kim Yong-sam must have been mad when he argued that the North should "restore the spirit of the March 1 uprising." The spirit of the uprising is the spirit of independence and sovereignty.

It is an outrageous talk and an insult to the participants in the March 1 popular uprising for the traitor Kim Yong-sam to utter this and that about the "spirit of the March 1 uprising" while being a colonial servant of the United States and kowtowing to Japan, the enemy of the uprisers.

MINJU CHOSON stresses that if a unified state, independent and sovereign, is to be built and national sovereignty to be defended as desired by the forerunners, it is imperative to remove the Kim Yong-sam group, which is a stumbling block.

Korean Residents in Japan Mark 'Popular Uprising'

*SK0303051495 Pyongyang KCNA in English 0422
GMT 3 Mar 95*

[FBIS Transcribed Text] Tokyo, March 2 (KNS-KCNA)—A central meeting of Korean residents in Japan was held in Tokyo on March 2 on the occasion of the 76th anniversary of the March 1 popular uprising.

So Man-sul, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), said in his report that the March 1 popular uprising was a nationwide resistance in which the Korean people who had languished under the Japanese imperialists' colonial rule rose up to take back their lost country and an anti-Japanese patriotic action which greatly demonstrated the independent spirit of the Korean people.

The desire of the patriotic March 1 uprisers could be realised when the great leader Generalissimo Kim Il-song, peerless patriot and legendary hero, liberated the country by organizing and leading the anti-Japanese revolutionary struggle to victory, upholding the banner of *chuche*, the reporter said.

Pointing out that it is the behest of the great leader Generalissimo Kim Il-song to achieve the reunification of the country in the 1990s, the reporter stressed that the great leader Marshal Kim Chong-il stands at the head of the nation heading toward reunification.

He stressed:

"No force on earth can bar the grand reunification march of our nation determined to achieve reunification in the 1990s."

He called for dynamically advancing full of confidence in victory to acclaim the great leader Marshal Kim Chong-il standing on the rostrum of the square of reunification.

Russian Forestry Delegation Returns Home 28 Feb

*SK0303110895 Pyongyang Korean Central
Broadcasting Network in Korean 1300 GMT 28 Feb 95*

[FBIS Translated Text] The Russian Federation Government forestry delegation headed by Kalin, vice chairman of the State Committee for Industrial Policy of the Russian Federation, returned home on 28 February by plane. Vice Forestry Minister (Yun-sok) and Russian Ambassador to the DPRK Yuriy Fadeyev were on hand at the airport to bid the delegation farewell.

Slovak Party Donates Marble to Chuche Tower*SK0303105895 Pyongyang KCNA in English 1025
GMT 3 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 3 (KCNA)—The Communist Party of Slovakia (CPS) donated a slab of marble to the tower of the chuche idea on the occasion of the birthday of the great leader Comrade Kim Chong-il.

Ladislav Jaca, executive secretary of the C.C.[Central Committee], the CPS, conveyed it to the charge d'affaires ad interim of the DPRK Embassy in Slovakia on February 21.

He said the CPS Central Committee decided to present a slab of marble to the tower of the chuche idea, reflecting the party's will to study the immortal chuche idea which indicates the way of the world revolution, on the 53rd birthday of respected Comrade Kim Chong-il who develops and enriches the chuche idea.

Carved in the dark and grey slab were letters "Communist Party of Slovakia" and a five-point star.

Kim Yong-sun Addresses Reception for Visitors*SK0303051695 Pyongyang KCNA in English 0430
GMT 3 Mar 95*

[FBIS Transcribed Text] Pyongyang, March 3 (KCNA)—A reception arranged by the great leader Comrade Kim Chong-il was given at Mongnan House on March 2 in honor of the art troupe of Koreans from Japan.

Addressing the reception, Secretary Kim Yong-sun of the Central Committee of the Workers' Party of Korea said the affectionate feast arranged by respected General Kim Chong-il particularly for the art troupe is associated with his high appreciation of, deep trust in and special love for the artistes of the General Association of Korean Residents in Japan (Chongnyon).

The respected general has bestowed warm love and solicitude on the Koreans in Japan, the speaker said, and went on:

"Indeed, he is always with Chongnyon and in the mind of the general are Chongnyon officials and Koreans in Japan all the time.

"It is the greatest fortune, joy and pride that our people and overseas compatriots have held respected General Kim Chong-il in high esteem as the great leader. Led by the general, our country is demonstrating the dignity and honor of Kim Il-song nation all over the world.

"The artistes should more dynamically arouse the Koreans in Japan to the patriotic work for the prosperity and development of the socialist homeland and for the reunification of the country in the 90s through their energetic art creative activities."

Chief Vice-Chairman Ho Chong-man of the Central Standing Committee of Chongnyon who is staying in the socialist homeland in his speech said the noble image of respected General Kim Chong-il who is leading the country and the people to the highest peak of the time no matter which way the wind may blow made them more keenly feel his unequalled greatness.

He said what is dearest to the Koreans in Japan is precisely the socialist homeland of chuche led by respected General Kim Chong-il. He vowed to strengthen and develop Chongnyon into a patriotic organisation loyal to the general and make active efforts to realise the behests of the fatherly leader President Kim Il-song for reunification.

Present at the reception were Kim Ki-nam, secretary of the WPK Central Committee, and other officials concerned and Chongnyon officials staying in the socialist homeland.

Kim Pyong-il Said Involved in Leadership Struggle*95BA0115A Sofia TRUD in Bulgarian 14 Jan 95 p 28*

[Article by Petur Tomov: "'Bulgarian' Kim Attacks Beloved Leader in Pyongyang"]

[FBIS Translated Text] Supporters of Beloved Leader Kim Chong-il and of his stepbrother Kim Pyong-il allegedly exchanged fire in Pyongyang, in the course of which seven or eight people were killed or wounded. Official North Korean envoys reported the clash to highly placed Chinese representatives at the international conference in Hunchun. The North Koreans were late for the meeting, claiming "extraordinary circumstances."

The incident allegedly occurred between 12 and 17 December of last year but information on it was released only now. The exchange of fire leads to the assumption that a sharp struggle for power is being waged in Pyongyang.

The 41-year-old Kim Pyong-il is ambassador to Finland. From 1989 to 1993 he was head of the North Korean mission to Sofia. The youngest Kim is the son of Kim Il-song, for which reason his tyrannical brother developed a hatred for him from an early age. Kim Pyong-il is married and has two children. He graduated from the North Korean Military Academy, after which he served in the Army and was promoted to general. He enjoys great popularity among a significant segment of the higher officer corps of the 1-million-strong armed forces of the last Stalinist country in the world. For that reason, in order not to irritate his older son, who had already been named his heir quite some time ago, he appointed Kim Pyong-il military attache to the former GDR. In 1987 he came to Bulgaria but was made ambassador only two years later. He was one of the last high foreign diplomats to present his credentials to Todor Zhivkov.

In 1991, news agencies reported that fire was exchanged not far from the palace of the North Korean dictator. There was even talk of an attempted military coup. That same year, in an interview granted to TRUD, Kim Il-song's younger son said in Sofia that he is "pure Korean," thus mocking his brother, who was born in Siberia in a Red Army military camp and who even was given the Russian name Shura. Excerpts from the interview were printed in SEGYE ILBO, the South Korean newspaper, in an edition of 6 million copies. Seoul showed great interest in Kim Pyong-il, who is considered a person with whom it would be much easier to find a common language. At that time he said the following to our reporter on relations between North and South Korea: "We must bury the knives that we have been hiding behind our backs, or remove from the people's hearts and souls the fear that an attack may be launched by the North or the South." The youngest Kim speaks English and is considered far more intelligent than Kim Chong-il. After the death of the Great Leader, there were speculations to the effect that the two brothers were fighting for power. Although the Korean Workers Party and the Army repeatedly asserted their total obedience to the new leader, he is not the full master of the situation. This is confirmed by endless speculations concerning his health, which are most likely being spread by his political enemies, who are trying to discredit him. Seven months have passed since his father died, but the 'beloved leader' has still not been officially proclaimed the country's president. There are assumptions that he may assume the highest position in May or even as late as October.

Shortly before Kim Il-song died from heart failure last year, a general, believed to be his opponent and sympathizer of his younger son, was appointed to the important number-two position in the North Korean Army. This proves that a certain tension exists on the higher levels of power and in some circles of the armed forces. Observers believe that hard-line generals are irked by the nuclear agreement concluded between the United States and North Korea. It was agreed that the country's nuclear reactors will be replaced with safer ones, which could not be used for making an atomic bomb. It is doubted that the North was gambling on its nuclear power for military purposes but that its purpose was to publicize it so that it could use it in exchange for obtaining economic aid from the West. At the Geneva talks, the United States made a number of concessions and promised to supply the North with oil and grant it \$4 billion in financial aid for the restructuring of nuclear reactors.

All indications are that the more reformist-leaning party guard of the North Korean elite, backed by Kim Pyong-il, was behind the partial breaking of the ice around North Korea. The exchange of fire in Pyongyang, however, is an indication of a sharp clash in the struggle for the legacy of the 'great leader' between the reformers and Kim Chong-il's North Korean hawks.

Foreign Leaders Send Condolence Messages to Kim

SK0303052995 Pyongyang KCNA in English 1522 GMT 2 Mar 95

[FBIS Transcribed Text] Pyongyang, March 2 (KCNA)—The great leader Comrade Kim Chong-il received messages of condolence from heads of state of different countries upon the death of Marshal of the Korean People's Army O Chin-u, member of the presidium of the Political Bureau of the Central Committee of the Workers' Party of Korea, first vice-chairman of the National Defence Commission of the Democratic People's Republic of Korea, member of the Central Military Commission of the Workers' Party of Korea and minister of the People's Armed Forces. They came from Norodom Sihanouk, king of Cambodia; Hafiz al-Asad, president of the Syrian Arab Republic; Muhammad Husni Mubarak, president of the Arab Republic of Egypt; Obiang Nguema Mbasogo, president and head of state of the Republic of Equatorial Guinea and founder-chairman of the Democratic Party of Equatorial Guinea; and Liamine Zeroual, president and minister of national defence of the Algerian Democratic and People's Republic.

The messages express deep condolence [word indistinct] Kim Chong-il and the government and people [words indistinct] Democratic People's Republic of Korea.

Meanwhile, message of condolence came to the Central Committee of the Workers Party of Korea from the Central Committee of the Communist Party of Vietnam.

Laos Publishes Kim Chong-il's 'Famous Work'

SK0303050595 Pyongyang KCNA in English 0415 GMT 3 Mar 95

[FBIS Transcribed Text] Pyongyang, March 3 (KCNA)—"The Workers' Party of Korea Is a Chuche-Type Revolutionary Party Which Inherited the Glorious Tradition of the DIU [expansion unknown]," a famous work of the great leader Comrade Kim Chong-il, was published in booklet by the State Publishing House of Laos.

In the preface the booklet in Laotian says that this work is published on the 53d birthday of Comrade Kim Chong-il.

Kim Chong-il Sends Thanks for Army-People Unity

SK0303105395 Pyongyang KCNA in English 1005 GMT 3 Mar 95

[FBIS Transcribed Text] Pyongyang, March 3 (KCNA)—The great leader Comrade Kim Chong-il extended thanks to different units which had distinguished themselves in implementing the party's stock-breeding policy and assisting the People's Army.

Among those units were provincial rural economy committees, 180 cities and counties, above 3,120 state and cooperative farms, the Pyongyang electromotor factory, the Chongyu restaurant and the Pyongyang municipal agency for medical supplies.

His thanks also went to secretary of the primary party committee of the South Hwanghae provincial maternity hospital Kim Yang-chun and his wife Pae Ok-i, a work-team leader of the Kusong chicken plant in North Pyongan Province Pak Chong-kap and his family and other working people of different units, who had displayed to the full the traditional traits of Army-people unity.

The traditional traits of Army-people unity—the Army and people loving and helping each other—has become a social trend in the Democratic People's Republic of Korea today.

Article Dedicated to Work by Kim Il-song

SK0303105795 Pyongyang KCNA in English 1022 GMT 3 Mar 95

["Programmatic Guideline for Socialist Construction"—KCNA headline]

[FBIS Transcribed Text] Pyongyang, March 3 (KCNA)—NODONG SINMUN today dedicates an article to the 20th anniversary of the publication of "Let Us Promote the Building of Socialism by Vigorously Carrying Out the Three Revolutions", a work of the great leader Comrade Kim Il-song, on March 3, 1975.

Noting that the important idea of the work is that only when the three revolutions, ideological, technical and cultural, are successfully carried out can the socialist cause be brought to accomplishment, the article says: The enormous significance of the work lies, first of all, in that it provided a revolutionary banner for carrying the socialist cause to accomplishment by giving a scientific exposition of the idea of uninterrupted revolution under the socialist system.

Basing himself on a scientific analysis of the law of the development of revolution, the great leader Comrade Kim Il-song defined the three revolutions as the task of uninterrupted revolution which should be fulfilled after the establishment of the socialist system and put forward the unique idea of vigorously carrying out the three revolutions.

The work elucidated the truth of revolution that, if the independence of the popular masses is to be fully realized, the legacies of old society must be cleared away in all fields of social life such as politics, economy, ideology and culture, and the working people be freed from all forms of domination and subjugation and social inequality and these tasks must be fulfilled through the revolutions in ideology, technique and culture.

Another significance of the work lies in that it provided a guideline for victoriously advancing revolution and construction under the banner of the three revolutions by convincingly proving the validity of the three revolutions.

The great leader comprehensively consummated the theory of the three revolutions, basing himself on a scientific analysis of the practical experience of the Korean revolution in which the ideological, technical and cultural revolutions had been energetically carried on under the leadership of the Workers' Party of Korea.

The theory of the three revolutions propounded by the great leader set out all theoretical and practical problems arising in freeing the working masses from the fetters of outdated ideology, technique and culture. All the policies including the policy of firmly maintaining the principle of keeping ideological revolution definitely ahead of the technical and cultural revolutions and the policy of pushing on the three revolutions as a mass movement are based on the *chuche* idea and run through with it.

Another enormous significance of the work lies in that it is a militant banner inspiring the revolutionary people to decisively smash the moves of the imperialists and the enemies of revolution of all hues who are abusing socialism and vigorously advance along the road of socialism.

The theory of the three revolutions propounded by the great leader Comrade Kim Il-song put in the hand of the working-class parties and peoples building socialism a powerful weapon for successfully building socialism and vigorously advancing the cause of socialism, frustrating the moves of the imperialists and reactionaries.

It dealt a decisive blow to the renegades of socialism who had given up revolution and the principles of socialism after the establishment of socialism.

*** Labor Officials Make Progress Reports**

952C0062A Pyongyang NODONG SINMUN in Korean 3 Dec 94 pp 1, 3

[Report on the 2 December closing session of the national conference of labor administration functionaries]

[FBIS Translated Text] (KCNA)—The national conference of labor administration functionaries came to a close on 2 December.

The closing session proceeded amid the intense enthusiasm of the participants to bring about a great advance in labor administration by thoroughly implementing the tasks outlined in the congratulatory message of the WPK Central Committee and our party's labor policy, so that they may give full play to the true excellence of our own type of socialist labor system.

Debate continued at the session.

Speakers stressed the fact that the respected and beloved leader and the dear leader set forth unique thought and theory regarding socialist labor administration by embodying the *chuche* ideology and sagaciously led the struggle to implement these thoughts and theories, thereby accumulating immortal achievements.

Speakers noted that in our country the labor administration has been converted to work with people, namely, political work, that a revolutionary daily work ethos has been established in the whole society, and that communal labor is organized in a rational manner and labor resources are being put to effective use. They said that it is through labor that all workers are bringing their true lives into bloom while enjoying happiness to their hearts' content. They stressed that this reality clearly attests to the validity and vitality of the Socialist Labor Law and the party's labor policy.

The dear leader Comrade Kim Chong-il pointed out as follows:

"All labor administration functionaries should contribute more actively to the acceleration of socialist economic construction by further strengthening labor administration to suit the demands of developing reality."

Speakers pointed out that cherishing the party's faith in and expectations of them deep in their hearts, they will improve and strengthen labor administration still more to suit the demands of developing reality, so that they may implement the party's revolutionary economic strategy and actively contribute to the acceleration of socialist economic construction.

Taking the floor, Hyon Chong-ok, Nampo Port labor corps leader, said that Nampo Port is a glorious work site honored by the visit of the great leader and the dear leader comrade on several dozen occasions. He pointed out that his corps has brilliantly fulfilled the annual economic plan each year in the past 35 years and rendered a great benefit to the state by establishing a revolutionary work ethos and a revolutionary life ethos and providing good working and living conditions for the workers.

He then stressed that his corps will thoroughly establish the revolutionary work ethos and continue to overfulfill its assigned plans and thereby demonstrate the excellence of the socialist labor system in our country, by upholding the tasks outlined in these documents: the great leader's classic work "Let Us Thoroughly Implement the Socialist Labor Law," the dear leader's historic letter to the national workshop of labor administration functionaries, and the congratulatory message of the party Central Committee to the current conference.

Kim Won-son, director of the Pyongyang Railway Bureau, spoke about ways to meet transportation needs satisfactorily by regularizing and standardizing daily work and establishing a military-style work discipline.

He pointed out that in the last period his bureau organized a shift-work system for locomotive engineers and aroused a sense of pride in track-maintenance workers so that they might strictly observe a 480-minute workday, and that this resulted in a great innovation in transportation.

He expressed his determination to convert labor administration in his railway bureau to work with people, namely, political work so as to strengthen labor administration, and establish a rigid military-style work discipline and order to suit the peculiarities of railway transportation, in order to make all rolling stock run on schedule and free of accident.

Han Yong-ho, manager of the Pyongyang Thermal Power Generation Complex, described how his plant nurtured the creative ability of the workers to suit their inherent need to live a self-reliant life, by following the party's precept that labor administration is in essence work with people, that is, political work, and how this resulted in an increased power output.

He pointed out that his plant organized and effectively carried out a task to improve the workers' standards of technical skills and thus turned out a large number of technicians and skilled workers, and that even after sending out hundreds of operators and functionaries to newly erected thermal power plants, the present staff is still operating the modern generating plant well. He added that his plant adopted hundreds of technical innovation plans each year, thereby increasing the power output while conserving labor and materials.

He vowed to further regularize and standardize daily work by continuing to place emphasis on labor administration, turn out more electricity by carrying out the training of skilled workers in a more effective manner, and increase the capacity for the production of supplemental hot water for heating networks (*yolmang pochungsu*), in order to provide better living conditions for the citizens of the capital city.

Song Hwa-sil, director of Kim Chong-suk Rest Center, mentioned how the great leader Comrade Kim Il-song visited her rest center in the postliberation nation-building period and clearly outlined the directions and methods she and her staff should follow when he said that it was their basic duty to see that those on R&R in the rest center fully enjoyed their rest without any inconvenience.

Song Hwa-sil recalled with deep emotion how Comrade Kim Chong-suk, an indomitable communist revolutionary fighter, visited the rest center accompanying the great leader and the dear leader, and that during this visit, Comrade Kim Chong-suk admonished the functionaries of the rest center to perform their duties well so that workers might enjoy their rest to their hearts' content.

Song Hwa-sil pointed out that the party showed profound concern for her rest center so that it might become

the model for all other rest centers in the country. She proudly pointed out that today our workers can enjoy their rest at first-class rest centers without having to pay a penny and with no reason to be envious.

She said that taking pride in working at Kim Chong-suk Rest Center, her employees will create 10 chongbo [1 chongbo is equivalent to 2.451 acres] of vegetable gardens, raise many ducks and chickens to meet the demand for vegetables, meat, and eggs on its own, while constantly improving the management and operation of the rest center.

Chon Chae-kil, assistant manager of Pyongyang Textile Complex, said that his factory, which has now grown to be the nation's comprehensive textile plant, sits on the spot selected by the great leader, who walked along the muddy road looking for the location at the edge of the Taedong River, accompanied by the dear leader Comrade Kim Chong-il and the indomitable communist revolutionary fighter Comrade Kim Chong-suk. The assistant manager said that a revolutionary work discipline has been established in his factory with all its employees bringing their self-reliant and creative work ethos into bloom.

He spoke of the fact that the work norm was constantly revised in keeping with improvements in the ideological standard as well as the standard of technical skills of the workers and progress in the modernization of the textile equipment. As a result, he said, the number of multispindle, multiloom tenders has grown steadily, and numerous workers have become labor innovators, and the factory has produced 15 labor heroes and five meritorious textile workers and meritorious labor norm-setters. He stressed that his factory will increase labor productivity more than 1.2 times the current level in the buffer period to produce more fabrics so that it may contribute to the thoroughgoing implementation of our party's light industry-first policy.

Pak Chae-ik, manager of the 8 February Chiktong Youth Colliery under Sunchon District Coal Mining Complex, dwelt on the successes and experience gained in the struggle to provide a better working condition for the coal miners in the last period.

He said that the functionaries and miners worked together to pierce through overhand stopes for a distance of 500 meters and provide an excellent working condition by installing air blowers, introducing blast gas neutralizing agents and a newly invented compressed air-operated water sprayer system at shaft-ends, and equipping the transportation system in the galleries with labor protection devices. He also noted that his mining complex paved the roads in the residential area and built 30 multistory apartments, a workers' cultural hall with a seating capacity of 1,000, and various other cultural and welfare facilities. As a result, he said, the whole area has taken on a new look as a mining town. He also mentioned that his coal mine is supplying meat and various kinds of vegetables to the miners from more than 100

chongbo of sideline vegetable and livestock bases newly created while increasing the coal output each year.

Yi Yun-pok, section chief at the Pyongsong Municipal Administrative Economic Committee, dwelt on how the committee has improved the function and role of the labor administration department, thereby actively contributing to the thorough implementation of the party's revolutionary economic strategy.

He described the success and experience gained in converting labor administration to work with people, namely, political work, assigning the right workers to the right jobs according to the abilities and talents of individual workers, and stepping up indoctrination work on labor.

He emphasized that upholding the revolutionary party slogan "Serve for the people," the functionaries of the committee are thoroughly implementing the party's labor policy by always going down to the base level for the purpose of ascertaining the labor administration work of each unit, exercising foolproof supervision and control, and helping organize daily work.

Pak Yong-chan, manager of the Chollima Steel Complex, dwelt on how the workers of Kangson started the chollima movement under the sagacious leadership of the great leader and our party and created a new "chollima speed" in the bygone days. He referred to the successes made in the task to carry out the tasks outlined in the dear leader Comrade Kim Chong-il's classic work "On Further Improving and Strengthening Labor Administration."

He said that the experience gained in the actual conduct of labor administration shows that when labor administration is converted to an enterprise-wide undertaking, it is possible to increase the steel output and protect and preserve and glorify the socialist labor system. He stressed that his steel complex will strengthen labor administration to suit the demands of developing reality and normalize production at a high level by upholding the dear leader's letter to the national workshop of labor administration functionaries and the congratulatory message of the Party Central Committee [to this conference] so that it may produce and secure the supply of steel materials needed in the implementation of the party's revolutionary economic strategy.

Chu Chong-ton, chairman of Munchon Municipal Administrative Economic Committee, dwelt on how his committee has improved the people's standard of living by maximizing the effective use of labor.

He said that his administrative economic committee ascertained the makeup and utilization of labor in concrete terms before working out plans to solve manpower supply bottlenecks and better husband the municipal economy, and under these plans led factories and enterprises to improve manpower organization and labor management to suit the peculiarities of Munchon as an industrial center.

He described how his committee conducted a foolproof task to dovetail the work assignments of each factory or enterprise to the level of ability and technical skills of its workers on the basis of a scientifically prepared manpower mobilization and utilization plan. He noted that the city converted more than 10 chongbo of rush fields into salt fields and reclaimed more than 100 chongbo of land to create raw material bases, thereby laying a firm groundwork for supplying necessary consumer goods to the citizenry in a satisfactory manner.

Han Tuk-po, department director at the Chuche Economics Research Institute, described how his protracted research into labor issues convinced him deeply that our type of socialist labor system founded by the great leader and glorified by the dear leader is the most outstanding labor system that makes it possible to meet the needs of people for self-dependency completely and perfectly.

He said that our type of socialist labor system is the most outstanding and kindest labor system which gives all workers the right to work and brings them up to be potent beings possessing a high standard of ideological consciousness and technical know-how, and under which the state looks after their livelihood on its own responsibility. He stressed that his institute will scientifically corroborate the validity and veracity of our party's thought and theory on labor administration and protect and defend this thought and theory.

In doing so, he said, his institute will see to it that labor administration functionaries and workers will more deeply understand the excellence of our socialist labor system by experience, accelerate socialist economic construction, and actively play their part in the implementation of the party's revolutionary economic strategy.

Choe Hwang-yong, vice minister of labor administration, said that brilliantly etched in the historic path traversed by labor administration are the hallowed footsteps of the leadership of the fatherly leader and the dear leader.

He said that the great leader introduced the Socialist Labor Law, and delivered a programmatic address to the national conference of labor administration functionaries in September 1979 and gave the participants the highest honor by posing for a picture with them. He also said that the dear leader on the other hand published his classic work "On Further Improving and Strengthening Labor Administration" in November 1989, thereby laying down the fundamental principles of socialist labor, and since then has energetically led functionaries to keep on developing labor administration to suit the demands of the developing revolution.

After referring to the brilliant successes made in the domain of labor administration under the sagacious leadership of the party and the leader, he stressed that his ministry will actively contribute to the implementation of the party's revolutionary economic strategy by bringing about a new turn in the whole range of labor

administration thorough the implementation of the party's socialist labor policy.

Chong Ok-pyong, a section chief of the 8 November Mine, described how he organized labor administration functionaries into an art group and sent it to the blind ends of galleries where it carried out propaganda work in various forms to establish labor discipline and order. As a result, he said, the daily production goals were overfulfilled by 20 percent on an average.

He emphasized that his unit prepared 70 or more art programs and carried out propaganda activities using these programs on 2,000 occasions for the past 10 years, thereby establishing a revolutionary daily work ethos and effecting fresh innovations in mineral production.

He mentioned that along with the activities of the art group, his unit conducted foolproof person-to-person indoctrination work among the miners, thereby greatly encouraging them to produce greater results in their labor for mineral production.

Sim Kyong-yim, manager of Pukchang District Coal Mine Complex, described how he increased the number of workers in the production field, organized political work on them, and thus increased coal production.

He said that the functionaries of the complex, cherishing deep in their hearts the dear leader's instructions about maintaining a proper balance between the productive and nonproductive fields in the allocation of labor, placed selected robust workers on productive jobs; and that the complex laid a 8.3 meter-long belt-conveyer transportation line and organized the conserved manpower into an additional 14 tunneling platoons to prepare an additional 11 coal-cutting sites, thereby increasing the total length of tunnels and the coal output.

He emphasized that he will further improve his work with the coal cutters and tunneling workers to increase the coal output so that he may brilliantly fulfil the pledge he made to the respected and beloved leader.

Kim In-sil, a youth work team leader at Mangyongdae District Urban Facilities Management Office, said that under our type of people-centered communist system where all jobs are equally honorable, road maintenance workers, just like others, enjoy their happy and rewarding life as workers to their hearts' content.

She said that when she graduated from her senior high school six years ago, the whole graduating class decided to become road maintenance workers for Kwangbok Blvd, which leads to Mangyongdae, the cradle of our revolution, and joined the road management office together, and that since then she has worked hard like the legendary "Grandma Taesong," with an infinite sense of pride and honor as she and her group had an opportunity to see the respected and beloved leader and the dear leader on their work site.

She related how she conducted labor-related propaganda among the youths in various forms and by various methods according to the degree of preparedness and the peculiarities of the objects of propaganda, to arouse their enthusiasm. She emphasized that all of these youths can take pride in themselves as the blossoms of this boulevard known to the whole country.

Chang Sok-ki, chairman of the Pongdong Cooperative Farm Management Committee, described the successes her cooperative farm made in implementing the fatherly leader's on-the-spot instructions to widen the gap between North and South as wide as that between heaven and earth by improving labor administration and building a cultured socialist rural community.

He said that he actively conducted indoctrination work in various forms and by various methods suited to the condition of the farm situated in the foremost frontline area, with a view to encouraging every farm member to participate in communal labor diligently for the sake of society and the collective.

He said that she saw to it that farm members observed the working hours, break times, the closing hour, and so forth—all the details set forth to suit the actual condition of the farm—exactly as required by the rules of work discipline, and that all work teams and subteams took stock of the workdays put in and announced the results in timely fashion. As a result, he said, he could fire the zeal of the farm workers to work. He stressed that through this process his farm ceased to receive outside assistance beginning six years ago and yet increased the farm output by 50 percent and built 160 or more homes and public buildings, and that this is a powerful demonstration of the superiority of the socialist collective economy.

Introducing his experience, Choe Sok-kum, assistant manager of Hungnam Fertilizer Complex, described how the labor administration functionaries of his complex, upholding the dear leader Comrade Kim Chong-il's historic message "On Improving and Strengthening Labor Administration," saw to it that an end was brought to the frequent turnover of skilled workers so as to have them stick to their present revolutionary posts and securely guard them from generation to generation, and how they were able to systematically upgrade the standards of technical skills of the workers of the rising generation.

He pointed out that the labor administration functionaries carried out a vigorous drive to have skilled workers settle down in his complex and to improve their standards of technical skills; that as a result, the operating ratio of major equipment and the average technical grade of the workers were upgraded compared with five years ago and the ranks of highly skilled workers have expanded; and that as many workers as one-fourth of the total employees have grown to be engineers, specialists, and associate engineers.

He added that his enterprise introduced over 6,700 new technical innovation plans in production and construction, obtained 79 patents in the past five years, thereby rendering an enormous benefit to the state.

Yi Sang-kun, bureau chief of the South Hamgyong Provincial Administrative Economic Committee, took the floor to discuss how to convert labor administration work into work with people, namely, political work.

He described how the committee carried out an active labor-related propaganda and indoctrination work by holding explanation and dialogue sessions and efficacy meetings, and strengthened the functions and roles of the labor administration sections of the administrative economic committees of various cities and counties in the last period, upholding the desire of the party and the leader to make labor administration into work with people, namely, political work. As a result, he said, successes were made in the overall aspects of labor administration, such as assigning workers to specific jobs, mobilizing manpower, and insuring a proper cultural environment and rest for the workers.

He said that these successes were made possible by the sagacious leadership of the dear leader, and declared that he will endeavor to improve labor administration still more, so that the strained manpower supply situation may be eased and the socialist labor laws and regulations and our party's labor policy may be thoroughly implemented.

Kim Chan-hui, assistant manager of Komdok Mining Complex, described the immortal leadership achievements of the dear leader etched in the record of his complex, and dwelt on ways to effect innovations in the production of lead and zinc by thoroughly establishing a revolutionary daily work ethos among the workers.

He noted the accomplishment and experience made by the functionaries in providing sufficient rest and an adequate cultured life for the workers in the last period, in line with the dictum of the party that the miners are more precious than the ores underground they extract, and said he will make effective use of this accomplishment and experience.

He then declared that his complex will make an active effort to establish a revolutionary daily work ethos and insure an adequate cultured and aesthetic life for the workers of Komdok so that they may make great innovations to increase ore production by cherishing deep in their hearts the memory of the glory they felt on the day when the dear leader honored their mine with a visit.

Yi Nam-su, member of Changhyo Cooperative Farm in Hoeryong City, said he moved to Changhyo Cooperative Farm last year with 16 other members of his family, including his father who previously worked as warehouse chief of an enterprise, his mother who previously worked in a station baggage-check room, his younger brother and his wife, and his sister and her husband. He described

how his family group did farming diligently with the awareness of being masters of the farm and overfulfilled its assigned food grain production plan.

He described how he conducted indoctrination work among his family members under the guidance and assistance of the party so that they might have the right view of and the right attitude toward labor, and he summed up their individual performances on a regular basis so that they might do their farm work with gusto. As a result, he proudly said, his family group produced more than eight tons of corn per chongbo.

He emphasized that the wide cultivated field of the farm is the stage of activity for his family as farm workers in the true sense of the words.

Pak O-pong, manager of Pungso Forestry Station, spoke of his achievement and experience in effecting innovations in log production by stepping up indoctrination work among young workers.

He described how his functionaries frequently went out to the Yaksu operation site where they conducted indoctrination work on labor—in close conjunction with indoctrination in loyalty to the great leader and the dear leader—among the hundreds of youths of the rising generation from various parts of the country who were organized into a labor company. He said that after steadily upgrading their standards of technical skills through this indoctrination, the functionaries applied their experience on the Sollim and Ichon-tong operation sites to make the youths there stand in the van of the technical innovation drive. As a result, his station overfulfilled this year's log production plan by 1 percent as of 10 November, he said.

He added that he will draw on his experience in stepping up indoctrination on labor in order to contribute to the implementation of the party's revolutionary economic strategy.

Yun Wan-pong, section chief at Sunchon Cement Complex, said that the validity and vitality of the thought and theory expounded in the dear leader Comrade Kim Chong-il's historic letter have been clearly corroborated in his factory as elsewhere, and described how the complex is increasing production by creating a "self-reliance supply base" by its own effort.

He described how the complex uncovered manpower reserves totalling hundreds of workers each year by improving manpower organization and labor administration, and thoroughly established labor discipline so that the 480-minute workday might be fully utilized. As a result, he said, the complex was able to meet the huge demand for raw materials and fuel on its own and successfully carry out the construction of an automobile parts and equipment production base and a large-scale belt-conveyor project. He stressed that if all functionaries exert efforts to put available manpower to more effective use with the revolutionary spirit of self-reliance

and fortitude, they will be able to find manpower reserves everywhere and brilliantly implement the party's revolutionary economic strategy.

Choe Chin-man, section chief at Saebyol County Administrative Economic Committee, said that upholding the dear leader's instruction on putting manpower resources to effective use, the committee carried out this task as a communitywide task under the guidance of the county party committee, thereby satisfactorily resolving the strained farm labor supply situation in the country and meeting the manpower demand of the coal mines by the county's own effort. He referred to the experience of his committee in encouraging graduates of senior high schools in the country and workers in the nonproductive sectors, including dependents of county-level functionaries, to actively seek jobs in rural areas and play their role as masters responsible for the rice bowl of the country.

He expressed the determination of his committee to conduct tightly organized labor administration work in order to make workers do everything they can to bring the country's economy into full bloom, so that his county may meet its demand for manpower by its own effort.

Kim Chung-kun, manager of Soho Fishery Station, described how his station thoroughly established a revolutionary daily work ethos among the fishery workers and effected innovations in the production of fishery products by seldom vacating the sea.

He said that his station organized work and carried out foolproof labor management and (?built) [muonaego] many boats and fully equipped them with various small-scale fishing equipment on its own and increased the fishery output by a variety of fishing methods.

He stressed that his fishery station will indoctrinate all fishery workers to observe labor discipline voluntarily and provide them with an adequate living condition so that the station may expand the ranks of fishery workers operating 300 days a year and increase the fishery output.

Kim Ui-hui, assistance manager of Sinuiju Shoe Factory, introduced her experience in uncovering huge manpower reserves and overfulfilling the factory's shoe production plan for last year by organizing work efficiently with priority placed on work with people to suit the demands of labor administration work, and with the right view on and the right attitude toward the producer masses.

She described how her factory put the right workers on the right jobs according to their physical conditions and standards of technical skills, increased the production space, and improve the layout of machines and the organization of work in a rational manner so that each worker could tend a number of machines, thereby conserving a lot of manpower. The factory, she said, operated the modern machinery at full capacity and normalized production at a high level by carrying out a foolproof training program for skilled workers.

She also described how her factory increased labor productivity on all work sites by organizing and mobilizing workers and technicians in a mass technical innovation drive and organized new work teams with uncovered manpower reserves, resulting in increased production.

The participants were brimming over with revolutionary enthusiasm to implement the teachings of the late respected and beloved leader and our party's revolutionary economic strategy and go forward glorifying our own type of socialist labor system, the most outstanding in the world, by bringing about a new revolutionary turn in labor administration, and thereby repay the party's faith in and expectations on them with loyalty.

The conference adopted a written pledge addressed to the great leader of our people, Comrade Kim Chong-il.

*** New Advances in Economic Construction Urged**

952C0061A Pyongyang NODONG SINMUN in Korean
3 Dec 94 p 1

[Editorial: "Let Us Launch a Vigorous Struggle to Crown 1994 With Brilliant Results"]

[FBIS Translated Text] An important task facing us today in bringing on new advances in our revolution and construction, holding aloft the teachings of the late great leader and the revolutionary economic strategies of the party, is to launch a vigorous struggle in every sector and unit of socialist construction to crown 1994 with brilliant results.

The Dear Leader Comrade Kim Chong-il pointed out as follows:

"We must spur the whole party, the entire nation, and all the people to new advances in our socialist economic construction."

Nineteen ninety-four is a year forever unforgettable in the history of our party and people.

We bid our last farewell to the respected and beloved leader Comrade Kim Il-song, who for some eight decades had always been among the people leading our party and people steadfastly to victory. It was the greatest loss in the 5,000-year history of our nation and was a deep sorrow to us. Upon the death of the great leader, all our party members and working people were plunged into deepest grief; they, cherishing his memory, pledged seething loyalty and piety to the late leader, again and again.

To fulfill the pledge, our people, turning their sorrow into a hundred-fold and a thousand-fold strength and courage, have launched dynamic struggles to implement the revolutionary economic strategies of the party. In this course, many units of the people's economy fulfilled their plans for the year ahead of schedule, marking great progress in the overall socialist construction.

We, through the 1994 struggle, have powerfully demonstrated the invincible strength of our people who, united in one mind around the dear leader Comrade Kim Chong-il, fight on dynamically.

Confronting us now is the task of bringing the year's battle to a successful conclusion on the basis of what we have achieved.

Nineteen ninety-four is the first year of our energetic struggle after the death of the great leader to carry through the teachings he left behind and the party's revolutionary economic strategies. In order for the party and people to add luster to the year with a greater victory in socialist construction, it is extremely important to finish it up in a creditable fashion. What sort of finishing touches we will give our struggles on all fronts of socialist construction will largely determine the final outcome of the year's battle. Only by finishing it up with a successful final combat in all sectors and units, can we add luster to 1994—the first year of a buffer period—as a year of triumph filled with pride and new advances in socialist construction, laying solid foundations on which to carry out the party's revolutionary economic strategies.

Today's struggle to put the finishing touches on 1994 in a brilliant way is an honorable struggle full of heavy responsibility, that will demonstrate the united might and the heroic mettle of our people, who rose to implement the teachings of the late great leader and the party's revolutionary economic strategies. All the party members and working people should be deeply aware of the importance and significance of the year's final battle and launch an all-out assault to bring the year to a successful conclusion.

Most important in this respect is for all units and working people to be highly ideologically prepared to make 1994—the first year of a buffer period—a year of glory and triumph, and display high revolutionary spirit and combat strength in the year's final battle.

As with all other work, the outcome of the year's final battle largely depends on the ideological preparedness of party members and working people.

Not many days are left before the year's battle is put to a finish. Bearing deeply in mind that their day-to-day struggle for the rest of the year will show their loyalty and piety to the party and the Leader, all the party members and working people should display their lofty loyalty and revolutionary spirit, and fulfill their assignments without fail. With the conviction that as long as we have the dear comrade leader to lead us, our victory in the 1994 struggle is a sure thing, we must continue to move forward and fight on and, by doing so, effect new miracles and innovations in every work site.

To bring 1994 to a successful conclusion, it is necessary to establish in all the sectors and units of socialist construction the revolutionary ethos to fulfill their assignments to the end, unconditionally under whatever circumstances.

In his New Year's addresses and many teachings, the great leader had specifically elucidated the tasks for our party and people to tackle as well as the methods to accomplish them. Even in his last minute, he clearly put forth tasks to be fulfilled in all branches of socialist construction, including the electric power and metal industries. And the dear comrade leader gave us clear-cut elucidations of all problems that need to be solved in our economic work.

Now that the 1994 battle is drawing to an end, all branches and units of socialist construction should wage the year's final combat energetically, with primary emphasis on fulfilling all their assignments ahead of schedule. Each unit of the people's economy should determine precisely what it has achieved in the year's battle and what is yet to be done; regarding the unfinished assignments, it should make specific operational plans to finish them as early as possible, then launch a final all-out assault to carry them out.

In the struggle to fulfill the 1994 plans successfully, units assigned a major share of responsibility in the implementation of the party's revolutionary economic strategies and in the improvement of the people's living standards should take the lead. In the agricultural sector, threshing and preparations for immediate farming should be carried out with lightning speed so as to complete the year's work as quickly as possible and make arrangements for the next year's farming efficiently. In the light-industry and foreign-trade sectors, the flames of innovation should be whipped up higher to ensure the increased production of consumer goods for the people and export goods; it should be ensured that yearly plans assigned each unit are overfulfilled without fail. And the electric power, coal, and metal industries and the railway transport sector should also wage their final combat for 1994 vigorously, overfulfilling their yearly plans and winning brilliant victories in the year's battle.

For success in the struggle to crown the 1994 battle with brilliant results, the revolutionary spirit of self-reliance and fortitude should be brought into fuller play.

As experiences of Kwangchon Food Factory and the 10 May General Factory show, if only the revolutionary spirit of self-reliance is brought into full play, any tasks, however difficult, can be accomplished creditably, making the party tremendously happy. All the party members and working people should be deeply aware that a key to victory in the year's final combat lies in giving fuller play to the revolutionary spirit of self-reliance; on that basis, they should solve on their own all problems arising in fulfilling their tasks for the year. All the units and working people should mobilize their inner reserves and initiative by manufacturing whatever is nonexistent and by seeking out things they need to make up whatever is in short supply, thereby fulfilling their daily assignments without fail.

To ensure that the year's final combat is fought vigorously, it is necessary to further enhance the role of leading functionaries.

At present, the fighting spirit and fervor of party members and the working people, who have vigorously launched into the year's final combat, holding aloft the teachings of the late great leader, is extremely high. All now depend on how well our leading functionaries guide the masses to victory in that combat.

All leading functionaries should clearly establish targets and methods for the year's final combat in keeping with the surging fervor of the masses, closely planning and coordinating organizational guidance work on that basis. All functionaries should go positively into the bustling sites of production and among the masses there, helping them resolve any bottlenecks promptly, leading them by personal examples and inspiring them toward new feats.

It is important to conduct the struggle to crown 1994 with brilliant results in close combination with preparations for the 1995 battle.

Nineteen ninety-five is an important year marking the 50th anniversary of the founding of the Workers Party of Korea and the 50th anniversary of the liberation of the fatherland. To celebrate the occasions with high political fervor and brilliant labor feats, we must begin the preparations for the 1995 battle correctly now. All the sectors and units, while vigorously waging the immediate struggle to finish up the 1994 battle, must make solid preparations for the 1995 battle. Especially, they must draw specific plans for 1995 projects based on the recently-announced party guidelines and make preparations for them efficiently.

To vigorously push the struggle to bring 1995 to a successful conclusion, it is necessary to further enhance the role of party organizations.

Party organizations must bring home to party members and the working people the importance and significance of a successful conclusion of 1994 and, by doing so, bring them to positively launch into this work. At the same time, in keeping with the surging struggle for a successful year-end, they must push organizational political work among the masses more aggressively and thereby ensure that the revolutionary fervor and creative positiveness is brought into fuller play unceasingly. Party organizations should widely generalize positive examples found among party members and the working people, actively inspiring the masses to collective innovations. By doing so, they will ensure that new miracles and feats are created in all sectors of socialist construction and that brilliant results are achieved in the 1994 battle without fail.

*** Article Views Basic Way To Achieve Socialism**

952C0060A *Pyongyang NODONG SINMUN* in Korean
2 Dec 94 p 2

[Article by Sin Un-chol: "Strengthening Chuche of Revolution and Enhancing Its Role Is the Basic Way for Socialism's Victory"]

[FBIS Translated Text] The dear leader Comrade Kim Chong-il, in his immortal classic work "Socialism Is Science," elucidated that strengthening the *chuche* of revolution and enhancing its role is the basic way for the victory of socialism.

The dear leader Comrade Kim Chong-il pointed out as follows:

"A country—whether it is a country where capitalism is well developed or not—can bring socialism to victory if it does well the work of strengthening the *chuche* of revolution and enhancing its role."

Socialism represents an advanced society embodying the independent demand of the masses of people, and it is the inevitability of history that socialism ultimately prevails. Socialism is indeed an inevitable phase of history and the socialist society is most advanced and best suits the intrinsic, self-reliant nature of man. However, it does not develop by itself. If socialism is to be built successfully, it is necessary to prepare revolutionary forces to take charge of and to fulfill that cause, and to work out a correct method of struggle. A social historical movement is a movement of *chuche* occurring and developing by the active function and role of the masses of people, *chuche* [the subject] of the movement. If we should fail to strengthen *chuche* and enhance its role in revolution and construction, it is impossible for us to win complete victory in revolution, however well-prepared we might be materially and economically. Needless to say, objective conditions play an important role in revolutionary struggles; however, the decisive factor determining the outcome of revolution lies not in objective conditions but in how we strengthen the *chuche* of revolution and enhance its role. The historical fact that socialism won first not in a developed capitalist country but in a relatively undeveloped country proves that when *chuche* is strengthened and its role enhanced, even unfavorable objective conditions can be turned into favorable ones and revolution can win.

The ideology elucidated by the dear leader Comrade Kim Chong-il of strengthening the *chuche* of revolution and enhancing its role is the most scientific ideology, the validity of which has been positively proved by the protracted, historical struggles of the masses of people and by today's realities.

Its validity lies, first of all, in that it reflects most correctly the intrinsic requirement in the development of socialist society.

Generally, the more society develops, the greater becomes the role of the masses of people, who are the *chuche* of the social movement. It has something to do with the fact that the independent consciousness and creative abilities of the masses of people grow higher as society develops. The role of the masses of people as the *chuche* of the social movement is enhanced unprecedentedly in socialist society.

Socialist society is a society that develops by the creative power of the masses of people armed with high ideological consciousness and unified and united as one. In socialist society, the work of human and ideological remolding come as a more important and more urgent task than tending to material and economic conditions of socialism, and only by giving precedence to human remolding can the *chuche* of revolution be strengthened and its role enhanced for the successful building of socialism. In socialist society, if we should be preoccupied with economic construction, attach decisive significance to objective conditions—i.e., material and economic conditions—and regard the task of human remolding for the masses of people as a secondary task and thus belittle the work of strengthening the *chuche* of the revolution and enhancing its role, it would become impossible for us to steer the overall socialist construction correctly and even economic construction itself would inevitably fall into a slump. In some countries which were engaged in the building of socialism in the past, authorities thought that they could build socialism just by pushing economic construction, if only they held a firm grip on state power and the means of production. They thus failed to give priority to human remolding and to firmly prepare the masses of people as the *chuche* of revolution and construction. In consequence, the masses of people, the master of socialist society, became unable to perform their role as the master; eventually, the economic construction itself went amiss and all social sectors came to a standstill. Realities clearly show that if we fail to indoctrinate the masses of people in communist fashion in accordance with the intrinsic demand of socialist development of society and to unite them around the party, and if we thus fail to do the work of strengthening the *chuche* of revolution properly, it becomes impossible for us to advance the socialist cause successfully.

The validity of the ideology of strengthening the *chuche* of revolution and enhancing its role as elucidated by the dear Comrade Leader also lies in that it correctly reflects the inevitability of socialist society.

Socialist society is a society in which the masses of people have become the master. It can neither exist nor develop without the masses of people. The decisive factor defining the development and destiny of socialist society is the masses of people, and no one else, armed with the socialist ideology. The socialist theories of *chuche* scientifically elucidated the true nature of socialism and the inevitability of its development with the focus on people. Based on the elucidations, the theories made it clear that in order to build socialism successfully, we must wage vigorous struggles to capture the two fortresses of socialism/communism—the ideological fortress and the material fortress—and that in doing so, we must give firm priority to the struggle to capture the ideological fortress. This firmly guarantees that by strengthening *chuche* and enhancing its role unceasingly in revolution and construction we can push the building of socialism successfully.

The practical experience of our revolution clearly proves the correctness and truthfulness of the socialist theories of *chuche*. Our people launched their struggle for socialism amid the backwardness of colonial, semifeudal society. They had to carry on revolution and construction under unusually difficult circumstances. But our party always brought the masses to firmly unite around it and the leader organizationally and ideologically as required by the *chuche* ideology, and put primary emphasis on the work of strengthening the *chuche* of revolution and enhancing its role and, by doing so, could come this far hewing out its course of socialism brilliantly. Presently, our party gives firm priority to the work of human and ideological remolding over all other work, strengthening the political and ideological might of our revolution in every possible way, and, by doing so, is pushing ahead with the revolution and construction with no vacillations at all despite today's complicated situations. This vividly demonstrates the validity and vitality of the socialist theories of *chuche* about strengthening *chuche* and enhancing its role in the building of socialism.

The fact that the Dear Comrade Leader has put forth the ideology of strengthening *chuche* and enhancing its role in revolution and construction is of great theoretical and practical significance in the revolutionary struggle of the working class.

The question of on what principle, and by what method, socialist construction should be propelled after the socialist system has been put in place came to confront the parties leading socialist construction as a new task of history to be resolved. Especially today, when the socialist cause faces grave challenges because of maneuvers of imperialists and reactionaries, the question of what should be the central theme in pushing revolution and construction represents a pressing demand of the times and revolution.

The socialist theories of the dear comrade leader—the theories of understanding the intrinsic nature of socialism from a standpoint centering on the masses of people, the *chuche* of history, and of strengthening *chuche* and enhancing its role in socialist construction—are a powerful ideological weapon that makes it possible to conduct the overall socialist construction correctly.

The socialist cause is a just cause to realize the independent stand and attitude of the masses of people. Since the building of socialism and communism is a work for the masses of people, and since it is a work that has to be carried out by the masses of people themselves, there can be no other ways than strengthening the *chuche* of revolution and enhancing its role, if socialist construction is to be conducted successfully. If we should attempt to find some clever way elsewhere, we would eventually find ourselves clinging to the capitalist way that has nothing to do with socialism. And if things should go that way, there would be irreparably grave consequences to socialist construction. Therefore, if we are to advance

the socialist cause successfully, we must concentrate all available resources on uniting the masses of people around the party and the leader organizationally and ideologically and on consolidating the *chuche* of revolution firmly and enhancing its role. Pushing ahead with socialist construction with the masses of people, the *chuche* of the social historical movement, in the center is the only way to bring the socialist cause to advancement.

The theories of strengthening *chuche* and enhancing its role in revolution and construction have dealt a heavy blow to imperialists and reactionaries.

The struggle for socialism is waged amid the intense confrontation with and fight against imperialism. For the peoples taking part in revolutions today, it is the most important task to defend, safeguard and further develop the socialist cause. Although the socialist cause is going through ordeals now, socialism remains the goal of the revolutionary parties in their struggles and the aim of progressive humanity. With the correct path to the victory of the socialist cause evident, the masses of people now can courageously launch into the struggle for socialism with all their vigor, with new confidence and courage. It is a heavy blow dealt to imperialists and reactionaries.

The ideology elucidated by the dear comrade leader of strengthening the *chuche* of revolution and enhancing its role is a great ideology that can advance the socialist cause successfully under any circumstances. It serves as a militant banner pushing our revolution and the general socialist movement to advances.

All party members and working people will closely unite around the party and the leader and fight on more staunchly for the victory of the socialist cause of *chuche*, cherishing the great pride of carrying out a revolution under the dear leader Comrade Kim Chong-il, a great ideological theorist of our times.

'Noble Virtues' Displayed in Korea Described

SK0303105595 Pyongyang KCNA in English 1013 GMT 3 Mar 95

[FBIS Transcribed Text] Pyongyang, March 3 (KCNA)—Noble virtues of devoting oneself to the country and the people, the society and the collective are fully displayed in Korea where the whole country is a harmonious great family.

Some time ago, Yi Pok-chae, a public security officer of the Kang Yong-su public security station, died while on duty at the age of 33 after saving many people and people's property by covering a danger point with his body in a running train.

Han Tuk-hwan, a general of the Korean People's Army, Yi Song-chol and Kim Hyong-taek, officials of the Kangwon Provincial Committee of the Workers' Party of Korea, and Yi Ok-sil, a girl member of the League of Socialist Working Youth of Korea, in Pyongsan County,

North Hwanghae Province, are taking a good care of orphans and old folks without children to support them, like their own flesh and blood.

Upon receiving reports about their deeds, the great leader Comrade Kim Chong-il extended thanks to them, highly praising them as admirable persons.

He always loves most dearly those who deeply move the people with noble personality and humanness and have them praised by the society and the people.

Very impressive is a story in March 1993 when a semi-war state was proclaimed to the whole country against the enemy's anti-DPRK moves.

Early in the morning one day in the month when the country was under the touch-and-go situation, Comrade Kim Chong-il sent to an official a document he had seen. Reading the document with the tension of suspense, the official was surprised.

The document carried an autograph of Comrade Kim Chong-il giving instructions that a veteran member of the WPK who died after saving a son of a People's Army officer from danger should be widely introduced and propagandised.

At 03:01 the official received another document carrying his autograph saying, "they are admirable persons." Comrade Kim Chong-il had read a report about a worker of the Kangso area coal complex and his wife who were bringing up 18 orphans and praised them in the document.

One minute later, one more document carrying his autograph came to the official. After reading a report about a girl who made up her mind to get married with a disabled soldier, Comrade Kim Chong-il highly praised her and wrote that her deeds should be widely introduced and propagandized.

Through the documents which the leader of the country read and signed one after another on the day when the strained situation of the country drew worldwide attention, the people keenly felt again that he has warm love and noble virtues.

The noble virtues now in full play in the whole society are fruits of his deep love and great humanness.

Comrade Kim Chong-il, who loves beautiful things and values virtues most, is, indeed, the supreme incarnation of human love.

The Korean people boast of the traditions of the harmonious great family, bringing beautiful virtues into full play under the rays of his benevolent politics.

South Korea

UN Forces Korea Commander on Polish Eviction

SK0303010195 Seoul YONHAP in English 0046 GMT 3 Mar 95

[FBIS Transcribed Text] Seoul, March 3 (YONHAP)—The commander-in-chief of the United Nations Forces

in Korea, Gen. Gary Luck, has reported to the UN Security Council (UNSC) on the detailed circumstances of North Korea's recent eviction of the Polish delegation from the Neutral Nations Supervisory Commission (NNSC), a South Korean Foreign Ministry official said Friday.

In the report that was submitted to the council at the end of last month, the UNC commander pointed out North Korea's violation of the Armistice Agreement, the official said.

North Korea deserted its duty supporting the NNSC, stopped supplying electricity, water and living necessities and exercised a physical threat in forcing the Polish delegates out of the supervisory commission and these are all in apparent violation of the Armistice Agreement, the report was said to have charged.

Gen. Luck also submitted the report to five permanent and 10 non-permanent member countries of the council in the form of an official UNSC document as in the past, according to the official.

He continued that the report, however, may not be introduced before the UN Security Council as a formal agenda item.

Sends Protest to Kim Chong-il

SK0303115095 Seoul YONHAP in English 1134 GMT 3 Mar 95

[FBIS Transcribed Text] Seoul, March 3 (YONHAP)—Gen. Gary E. Luck, commander of the United Nations Command [UNC] in Korea, has recently sent a message to Kim Chong-il of North Korea to protest against the eviction of the Polish delegation to the Neutral Nations Supervisory Commission (NNSC), the UN Command reported Friday.

In the message, Gen. Luck said he had never agreed to any change in the Armistice Agreement concluded in 1953, stressing that as successors to the truce agreement, he and Kim Chong-il have the obligation to abide by the agreement until a peace mechanism sets in.

The general then asked Kim Chong-il to look into the matter and take steps to reinstate the Polish delegation to the Neutral Nations Supervisory Commission.

The UN Command disclosed that four general-grade officers of the UNC Military Armistice Commission earlier sent a letter to North Korea asking for a halt to pressures against the Polish delegation.

Daily Criticizes U.S. Land Rezoning Request

SK0303050095 Seoul HANGUK ILBO in Korean 3 Mar 95 p 3

[Editorial: "The U.S. Embassy's Unreasonable Demand"]

[FBIS Translated Text] The U.S. Embassy in Seoul is currently using 11 real estate properties. Of these, three (the site of the former Kyonggi Girls' High School, the ambassador's official residence, and the embassy personnel's quarters in Chong-tong, and the embassy personnel's quarters in Songhyon-tong) are owned by the United States. The cultural centers in Seoul, Kwangju, and Taegu are being leased. Therefore, these six sites have not caused any property dispute between the ROK and the United States.

However, the three places—the embassy building in Sejong-ro, the cultural center in Pusan, and the official residence of the cultural center in Kwangju—have been used free of charge causing a dispute between the two countries for quite some time now. The ROK side insists that the U.S. side pay rent, and the U.S. side insists on using them free of charge based on an agreement that lacks appropriate supporting data.

There are two more places in Yongsan that are causing friction between the two countries, namely the general service office in Namyong-tong and the embassy personnel's quarters in the Yongsan base. These two places are supposed to be returned when the Yongsan base moves, but they continued to be used, though the Yongsan golf course was moved. The ROK side insists that the U.S. side either pay the rent or move, and the U.S. side refuses to do so on the grounds that the facilities to replace them are not available yet.

What is the reason for this ongoing property dispute between the ROK and the United States? We have to review the historical background to find the answer. That is, this dispute is connected with historical events such as the U.S. military government which was established in this country with the national liberation, the Korean war, the U.S. troops in the ROK, and the U.S. aid to the ROK. In other words, the special relations between the two countries caused this problem. As we have long been indebted to the United States, the ROK gave the favor to the United States or accepted the U.S. request out of good will. With the passage of time, however, we find these agreements and practices are unfavorable to the ROK and advantageous to the United States.

Relations between the two countries are now much different from those in the past. The relations of "equal partners" were stressed years ago.

Therefore, the property dispute between the ROK and the United States should be settled on an equal basis. It is necessary to review the agreements and contracts which were signed unilaterally or on an unequal basis in the past.

In this context, it is regrettable that the United States should demand the rezoning of the site of the former Kyonggi Girls' High School and the lifting of the ban on a certain height of the building at the site of the embassy personnel's quarters in Songhyon-tong. One is led to

suspect that the United States still has the way of thinking that was acceptable in the past era of inequality. We cannot understand that the U.S. side says it cannot afford to build the embassy building because of the financial deficit.

We can hardly understand how the United States can demand such a special privilege while frequently exercising trade pressure on us. The ROK Government disapproved the demand, but the United States insists on it.

We trust that the ROK Government will not accede to the demand. The United States ought to understand that the ROK people's national sentiment is different from that of the past.

Method Changed To Determine USFK Expenses

SK0303035095 Seoul KYONGHYANG SINMUN in Korean 3 Mar 95 p 3

[By reporter Yi Chung-kun]

[FBIS Translated Text] The National Defense Ministry [MND] revealed on 2 March that, beginning next year, it will decide its share of defense expenses of the U.S. Forces in Korea [USFK] on a year-by-year basis taking into account the strength of the USFK, the Korean currency's exchange rate against U.S. dollar, and the price increase rate every year. The share of defense expenses for the USFK had previously been decided on a five-year basis through negotiations with the U.S. Forces.

On 2 March, an MND official concerned stated: It is not reasonable to bear a certain amount of money without any definite plan under the present situation in which our share of the USFK defense expenses has increased every year. Therefore, the MND will freeze its share of defense expenses at the present level; will soon establish a new method of deciding its share, taking into account the strength of the U.S. Forces, the exchange rate, and the rate of domestic price increase; and will consult with the U.S. side about it at the annual ROK-U.S. Security Consultative Meeting this year.

In the negotiations with the United States in 1991, the MND decided that our country would bear one third of the defense expenses of the USFK until 1995. Since then, however, every year the U.S. side has asked our side to pay \$30 million to \$40 million more, thereby causing friction between the two countries. Our country should bear \$300 million as its share of the defense expenses of the USFK this year.

North 'To Establish' Reunion Centers in U.S.

SK0203063995 Seoul HANGUK ILBO in Korean 2 Mar 95 p 2

[By correspondent Yi Sang-u from Washington]

[FBIS Translated Text] It was learned on 28 February that, with the future opening of its liaison office in Washington, North Korea has also decided to establish organizations in America to promote reunions of separated Korean family members in North Korea and America.

Chon Kyong-nam, vice chairman (vice ministerial level) of the Korean Committee for Aiding Overseas Compatriots, who is visiting major cities in the United States along with his entourage, recently revealed this at an informal meeting arranged by Koreans in Washington.

A source that participated in the meeting stated: "The North Korean authorities have decided to establish organizations in the United States that will take charge of arranging reunions of separated family members." The source added: "As I understand, North Korea plans to first establish two separate organizations in the eastern and western areas of the United States."

North Koreans Visit U.S. Carter Center, CNN

SK0203064195 Seoul YONHAP in English 0431 GMT 2 Mar 95

[FBIS Transcribed Text] Washington, March 1 (YONHAP)—A group of four North Korean figures, including Vice Chairman Yi Chong-hyok of the Asia-Pacific Peace Committee, visited the Carter Center and the Cable News Network (CNN) headquarters in Atlanta on Wednesday [1 March].

They reportedly failed to meet former President Jimmy Carter and only contacted relevant persons at the Carter Center.

Meanwhile, Yi and Chon Kyong-nam, vice chairman of the Committee for Aiding Overseas Compatriots, reportedly asked Korean residents in Washington to establish an organization that will exclusively handle the reunion of dispersed families from South and North Korea.

A participant at the meeting, where some 20 Koreans gathered, said that the North Koreans asked the ethnic Koreans not to contact the North Korean mission to the United Nations individually for family reunions, adding that North Korea would issue entry visas if the applicants are recommended by the proposed organization.

The North Korean delegation is also scheduled to travel to Chicago, Los Angeles and other cities in an apparent attempt to establish pro-Pyongyang organizations in the United States.

President Says N-S Unification 'Inevitability'

SK0303114295 Seoul YONHAP in English 1131 GMT 3 Mar 95

[FBIS Transcribed Text] Paris, March 3 (YONHAP)—President Kim Yong-sam said here on Friday that unification of South and North Korea will be a historical inevitability, whose attainment, he said, will be a matter of time.

While taking breakfast with South Korean correspondents posted in Paris on the second day of his official visit here, President Kim said South Korea is waiting for a change in the attitude of North Korea.

"Heterogeneous peoples integrated forcibly are bound to break up and a homogeneous people divided artificially is destined to be brought together," Kim said.

Stressing that no one can resist the flow of history, President Kim said unification between South and North Korea will be attained in a matter of time.

The president also said South Korea and China are promoting in earnest a joint-venture scheme to produce mid-size passenger planes.

"The two countries are taking part in it with a 40-percent equity, respectively," President Kim said. "France and some other advanced countries show much interest in the remaining 20 percent."

He added South Korea will play a key role in deciding which country should be the third partner in the airplane project.

On the question of ancient Korean documents being held by France, President Kim said that French President Francois Mitterrand promised during the summit meeting to try to resolve the question.

"This matter will continue to be discussed between the two countries regardless of the change of the French Government," Kim said.

Government Considers Simplifying N-S Trade

SK0303084195 Seoul MAEIL KYONGJE SINMUN in Korean 3 Mar 95 p 2

[FBIS Translated Text] To promote trade and economic cooperation with North Korea, the government is reportedly pushing ahead with forging plans to simplify procedures for conducting business after hearing about the problems of enterprises wishing to advance into Pyongyang in participating in North-South economic cooperation.

A relevant high-level official of the National Unification Board stated on 2 March: "It is not true the government has restricted North-South economic cooperation by linking it with North Korea's acceptance of ROK-model light-water reactors, as well as with the resumption of North-South dialogue." He also stated that he had ordered his staff to consider simplifying procedures for conducting business for the promotion of the North-South economic cooperation.

The official stated: "Even now, many businessmen visit North Korea with government authorization. If enterprises apply to participate in North-South economic cooperation, the government will allow them to visit North Korea if they are qualified as specified by the North-South Exchange and Cooperation Law."

On investigation into bribes by enterprises that want to advance into North Korea, he stated: "It has been learned that although some enterprises competed excessively to be the first to advance into North Korea, no enterprise has given money to the North Korean authorities."

Also, he pointed out that "we should quietly and gradually begin with small model businesses in North-South economic cooperation," saying: "However, we cannot carry out large-scale projects, especially in the social infrastructure area, without the resumption of North-South dialogue."

Concerning World Trade Organization ratification of North-South trade, he stated that "because it has been recognized that transactions between the North and South are internal transactions occurring inside the country, it is not necessary to stir up a hornet's nest."

North's Labor-Intensive Industries Supported

SK0303090195 Seoul YONHAP in English 0655 GMT 3 Mar 95

[FBIS Transcribed Text] Seoul, March 3 (YONHAP)—The South Korean Government, in a policy shift to ease the strained business relationship with North Korea, will provide assistance to businesses promoting labor-intensive industries in North Korea, such as processing South Korean materials into finished products in the North for re-import.

Under the decision, which came after a comprehensive study of meetings with business leaders who have visited the North and the following reports that they presented, the government will focus its assistance on businesses investing in the North's hosiery, luggage and footwear industries, officials said Friday.

But the government will stick to the position of not allowing businesses to invest in the North's infrastructure construction projects, though the North Koreans want such investment, until the North agrees on safety mechanisms, such as a pact guaranteeing investment returns, through government-level dialogue, they added.

In their meetings with North Korean officials in North Korea and elsewhere, some South Korean businessmen expressed their willingness to invest in large-scale projects in the North, but overpublicized their business potential, going beyond the government-approved agenda of such meetings. This has prompted the government to oppose large-scale business cooperation with the North for the time being.

But living up to the goal of last year's measures to increase inter-Korean economic cooperation to contribute to national reunification in the long run, the government will step up its support to businesses investing in the North's industries producing food and other daily necessities, as they will help ease the North Korean people's difficult living situations.

Noting a previous overcompetition among businesses for a favorable position in inter-Korean economic cooperation, an official said because the heated competition has considerably cooled down, the government is working to increase support to businesses making inroads into the North.

The government will check problems facing businesses promoting the processing in the North of their materials into finished products for re-import to help them solve these problems, he added.

*** North's ADKNI Representative on Economic Issues**

952C0063A Seoul WOLGAN CHOSON in Korean Jan 95 pp 244-253

[Interview with Choe Chol-yong, head of the Beijing office of the Association for the Development of Korean National Industry [ADKNI], in Beijing in December 95 by reporter Ho Ui-to]

[FBIS Translated Text]ADKNI Identity Still Shrouded In Vell

No sooner had I arrived in Beijing than I started out to locate the ADKNI (Kominbal) Beijing Office on the shabby Guangdong Market Street north of Guomao Hotel on the basis of the information I had gathered in Seoul before my departure. Because the day happened to be the alternate Saturday on which offices are closed, the street was deserted. A three-story building which was in the finishing stage of remodeling on the left side of the street caught my eye. At first glance, it was apparent that the building was going to house the Beijing office of the ADKNI.

Through my interpreter I asked one of the workers on the site: "What kind of project are you working on? Who ordered this project?" The worker said: "As you see, we are remodeling the building to make the first floor into a store, and the second and third floor into offices and living quarters. I do not know who the owner is." At this moment, what appears to be the construction foreman approached me saying, "Who are you? Where did you come from?" On the spur of the moment, I said, "I want to see the owner of the building to rent the store."

That was how I began my coverage of the ADKNI, and it was not an easy job. First of all, ADKNI officials had very strong distrust of South Korean reporters and were reluctant to reveal the identity of the ADKNI to the press. After great difficulty, I found out two telephone numbers of the ADKNI. However, the phones were connected to the factory which had moved out of this building earlier, and it was not easy to get through to the ADKNI.

The following is the gist of information collected on the spot: As of early December, the remodeling project was in the finishing stage. The North Korean specialties shop was originally scheduled to open on 1 December on

the first floor, but the opening schedule was postponed until late December because of the delay in the issuance of the license by the Chinese authorities. The second floor will be occupied by the ADKNI Beijing Office with attached living quarters, and the third floor will be used by Pak Kyong-yun, chairwoman of the Kungangsan Group. The head of the ADKNI Beijing Office is Choe Chol-yong, and under him Yi Chae-chol and Kim Sang-il work.

Well, what are the past careers of this trio? Choe Chol-yong, 56, took up his present post in Beijing in 1994 while he was vice president of Samcholli General Company. As a close aide to former Vice Premier Kim Tal-hyon, his career is said to range over the domains of light, heavy, and chemical industries. He, a man of a quiet temperament, is well acquainted with the trends of market economy and is on the forefront of North-South economic cooperation as its active proponent. That is why South Korean businessmen and reporters are anxious to see him, but he has not come out in the open yet.

Yi Chae-chol came to Beijing in April 1994 to assume his post as first secretary at the North Korean Embassy in Beijing, and subsequently was transferred to the ADKNI. He, 43 years old, visited South Korea twice in connection with North-South economic cooperation. He is more fluent in English than in Chinese, and he has a refined manner. He is staying in the ADKNI building with his wife and a daughter. Kim Sang-il, 40, came to Beijing last November to join the ADKNI because of the heavy workload of the ADKNI.

First Interview With Choe Chol-yong

From the beginning, it was impossible for me to approach Choe Chol-yong, head of the ADKNI Beijing Office, in my capacity as a reporter. That is why I tried to contact him by concealing my real identity, out of a good intention to confirm various rumors about the ADKNI through a direct interview. I interviewed him over the telephone on two occasions by using two different nonexistent company names. Before giving the details of the interviews, I would like to apologize to Mr. Choe for the out-of-the-ordinary method I used to interview him.

[Ho Ui-to] Is this the senior officer Mr. Choe? This is xxx of the xxx Electronic Parts Company speaking. I would like to see you to talk about a plan for an investment in North Korea. Could you be so kind as to find some time to see me? Please tell me the address of your office, if you have one?

[Choe Chol-yong] I cannot tell you the address because my office is currently under repair. Do you have a concrete plan for what South Koreans usually refer to as a "project"? You have to have the details of the plan—what kind of factory you are going to build in the Republic (North Korea), and what the capacity will be, and so forth.

[Ho Ui-to] I am calling from Harbin [I did not tell him I was staying in Beijing because I felt that I was not prepared just in case an arrangement was to be made for an immediate face-to-face meeting]. I got your telephone number through a South Korean enterprise here. I plan to go to Beijing in a week. Would you set the date for our meeting?

[Choe Chol-yong] There is enough time. It is difficult to set the date now because there is a large backlog of applications. Why don't you give me a call when you come to Beijing?

[Ho Ui-to] I am asking for the favor because it is so difficult to get connected to your telephone number. If you can see me, would you tell me where and how I can meet you?

[Choe Chol-yong] I can meet you at your hotel or anywhere else. Don't worry, just attend to your business over there and give me a call when you come to Beijing. Well, I see that your company is not owned by a South Korean who was born in North Korea. Your company is not Taihan Electric Wire Co., Ltd.? That company is listed in this list... (It was clear that while talking on the phone he was checking the list of South Korean businessmen who were born in North Korea.)

[Ho Ui-to] Mr. So, president of Taehan Electric Wire Company, was born in North Korea. Our company is not that company. Well, is it possible to see you without particular preparations?

[Choe Chol-yong] One business group comes carrying as many as 40 volumes of materials prepared in advance. It presents these materials when it discusses business with us. The materials contain full details such as: whether the proposed project is going to be a complete joint venture or a commission-based processing business; what the company will furnish and what the republic will supply; how much the company will invest in plant and equipment and what the annual production goal will be; and how the partner on the side of the republic will be solely responsible for construction and the supply of manpower, for instance. Methods of supplying raw materials need to be discussed also. Some companies even present factory blueprints. Well, what kind of product does your company make?

No Need To Go Through Pak Kyong-yun

[Ho Ui-to] We make condensers used in electronic devices. There are many kinds. (It seemed that he did not understand the word condenser).

[Choe Chol-yong] They must be electric parts. At any rate it is a kind of industry we need... Judging from your explanation, I think it is more realistic to locate your company in the special zone (the Najin-Sonbong free economic and trade zone).

[Ho Ui-to] Well, can I take it to mean that the ADKNI establishes specific connections according to the nature of the proposed projects?

[Choe Chol-yong] We examine the proposed process of operation and establish proper connections for it accordingly and also issue invitations. Is your company a business group or a small or medium enterprise?

[Ho Ui-to] Ours is not a group, but we have three subsidiaries. By the South Korean standard, ours is a medium enterprise which falls between a group and a small enterprise. I would like to ask about one more thing because I am not sure of it. Someone says that to contact the ADKNI, one must go through an intermediary. But can I see you directly if I call you up next time just as I did this time and make an appointment with you? Another person says that no one is allowed to contact the ADKNI unless he goes through Pak Kyong-yun, chairwoman of the Kumgangsan International Group.

[Choe Chol-yong] It was the case when Pak Kyong-yun introduced South Korean business groups in the past. But in cases of small and medium enterprises, there is no need to go through her. We prefer small and medium enterprises. Business groups making aircraft and tanks are proposing to manufacture Mercedes-Benz cars in the republic.... It takes many enterprises to carry out investment projects in the republic.

[Ho Ui-to] My company will discuss very rudimentary matters when I see you in Beijing, leaving the details for discussion on subsequent meetings.

[Choe Chol-yong] It is possible to discuss a general outline. Contact me when you come. So long.

That concludes my telephone conversation with ADKNI Beijing Representative Choe. But I made no follow-up contact with him partly because I felt falsifying my identity to meet him was unethical and partly because the telephone conversation cleared away some of my doubts.

The ADKNI has such a keen interest in South Korean businessmen born in North Korea that it has a list of their names. North Korea wants investment by South Korean small and medium enterprises rather than large business groups. Enterprises seeking economic cooperation with North Korea, including investment, can directly contact and negotiate with the ADKNI without having to go through any intermediary. It is better to prepare a concrete project plan before asking to meet with ADKNI officials. Using the ADKNI as a contact point, one can look for the real North Korean point man or a North Korean business partner in economic cooperation, or to obtain an invitation to visit North Korea.

As already reported in the 12 November 1994 issue of WOLGAN CHUNGANG, the ADKNI is the North Korean contact point under the North Korean State Administration Council for economic cooperation in Southeast Asian countries which have no formal diplomatic relationship with North Korea. The ADKNI was originally under Office 39 of the KWP in 1991, and with

the reshuffling of the party structure, it was transferred to its current structure beginning in September 1994. The North Korean organization which is in control of the ADKNI is the National Economic Council headed by Yi Song-nok. The ADKNI is of great significance in the sense that it is the first North Korean organization ever to serve as a contact point for private business. That is why ADKNI officials can meet South Korean businessmen without clearing it through the home government.

North Korean enterprises which are currently under the jurisdiction of the ADKNI are the ones which have engaged in economic cooperation with foreign countries. The ADKNI has its Beijing office; and Kwangmyong-song and Samcholli General Companies belong to it. Also belonging to the ADKNI are the Koryo Industrial Bank and the Potonggang Hotel Management Bureau, in which Chairman Pak Kyong-yun is reportedly involved. In addition, several other unconfirmed companies, including Chogwang and Taehung general trading companies, belong to the ADKNI. Individuals and groups are also operating in Japan, Hong Kong, Singapore, and Taiwan under the ADKNI.

Changed Fortunes of Pak Kyong-yun, Pak Chong-kun

The persons who are drawing attention as the ADKNI goes into high gear are Pak Kyong-yun and Pak Chong-kun, who opened the way for North-South economic cooperation in its early stage, and who have played an influential role behind the scenes. Pak Kyong-yun, a Korean-American businesswoman, got deeply involved in North Korea for the purpose of jointly developing Mt. Kumgang with Pak Chong-kun, who is said to have a personal tie with Kim Chong-il. These two, the cofounders of Kumgangsan General Trading Company, demonstrated their influence by successfully arranging visits to North Korea by Chong Chu-yong, Kim U-chung, and Chang Chi-hyok, leaders of their respective South Korean business groups, as well as Mun Song-myong [of the Unification Church].

However, rumors circulated that with the inception of the ADKNI, their status began to change. To confirm these rumors, I tried to contact Pak Kyong-yun and Pak Chong-kun in Beijing. But no word has been heard of Pak Chong-kun since he returned to North Korea in October; and Pak Kyong-yun, chairwoman of the Kumgangsan International Group, adamantly refused to grant me an interview. However, this did not mean that it was impossible to gather information from their intimates.

It was simple to ascertain the whereabouts of Pak Chong-kun. It was in December 1993 that he disappeared from the stage in Beijing. He, who was the president of Kumgangwon, the Korean restaurant established by Pak Kyong-yun, resigned his position bearing the responsibility for the poor condition of business operation and the internal squabble. Subsequently, he concentrated mainly on economic cooperation between Moscow and

Pyongyang, seldom appearing in Beijing. He was last seen in Beijing in late September 1994.

He has lost his powerful influence. But some South Korean businessmen were impatient to see him. It was really comical that in those days the South Korean press described Pak Chong-kun as "Kim Chong-il's hidden economic protege who lives in an upscale apartment and drives around in a Mercedes." Shortly afterward he disappeared from Beijing completely and called his wife, who was staying in Beijing alone, to Pyongyang in early December. That was the anticlimactic end of the "age of Pak Chong-kun" in Beijing.

Some viewed this change in his fortune as signifying victory for Pak Kyong-yun in her rivalry with Pak Chong-kun. But some observers say that Pak Kyong-yun is also falling into a status quite different from her former position. The Kumgangwon Restaurant, her business in Beijing, has changed its name to "Fuji," a Japanese restaurant, in partnership with a Japanese businessman, not a North Korean partner, after she severed her business ties with Pak Chong-kun. But the new restaurant was not a success either. As of October 1994, its management rights were turned over to Yi Myong-suk, president of the Hanilgwan restaurants in Tokyo and Osaka, with whom she has a long business tie.

Now Things Have Changed'

What Chairwoman Pak Kyong-yun is fretting about is her being excluded from preliminary dialogues in the stream of North-South economic cooperation which has been surging like a flood since the inception of the ADKNI. In fact, there was much ado when National Economic Council Chairman Yi Song-nok contacted South Korean businessmen while staying in Beijing for about a week beginning 8 November 1994.

Kohap Group Chairman Chang Chi-hyok and some other South Korean businessmen let Chairwoman Pak sit in on their meetings with Yi Song-nok. But other businessmen either refused to do so or arranged to meet him alone through channels other than the ADKNI. Chairwoman Pak showed strong animosities toward those businessmen who gave her the cold shoulder, and they ignored her by saying, "Now things have changed."

Pak Kyong-yun is said to have circulated the rumor to the effect that "any enterprise trying to play alone without her will have to pay for it someday." At this moment it is difficult to say who is telling the truth. I am just reminded of the vague remark of the ADKNI Beijing Representative Choe Chol-yong, "When business groups were introduced in the past, it was necessary to go through Chairwoman Pak, but it is no longer necessary in introducing small or medium enterprises."

Nevertheless it is clear that the ties between the ADKNI and Pak Kyong-yun still remain. This is apparent from the fact that the second floor of the building of the ADKNI Beijing Office currently being remodeled is

reserved for the ADKNI Office and its third floor for Pak Kyong-yun's office. Next, ADKNI officials refrain from saying anything that might undermine her position. Under these circumstances, it is very difficult to assess the status of Pak Kyong-yun accurately.

The following is an appraisal based on all available materials collected in Beijing: ADKNI officials are very cautious about saying anything about Pak Kyong-yun in consideration of the moral and material efforts she has made for North Korea in the past. She is reportedly footing the rent and remodeling cost of the building which will house the North Korean Specialities Store and the ADKNI Beijing Office. But who would take the trouble of going through Pak Kyong-yun, an unofficial point woman, when there is the chairman of the ADKNI and its Beijing office? Pak Kyong-yun's actual stature is due for an objective reappraisal.

If so, what would her objective stature be? First, as a result of the establishment of the ADKNI Beijing Office, her Kumgangsang Development and General Trading Companies, which used to perform the functions similar to the current functions of the ADKNI Beijing Office, will be little more than a mere name. This is all the more so now that Pak Chong-kun, her partner in this company, has been recalled to Pyongyang for good. Pak Kyong-yun will remain as the owner of the upscale restaurant Hanilgwan (former Kumgangwon) and the North Korean Specialities Store in Beijing. They say she has some additional enterprises in Beijing, but none of them have been revealed yet.

Chances for Opening Offices in Pyongyang

The license to develop Mt. Kumgang for tourism that Pak Kyong-yun obtained in February 1994 when Kim Il-song was still alive is valid. However, whether she can carry out the vast development project all by herself remains an unknown quantity. She got angry when the Unification Church brought up the Mt. Kumgang development issue. There are still many unanswered questions about her supposed management rights in the Potonggang Hotel and the Koryo Industrial Bank.

The foremost concern of South Korean businessmen stationed in Beijing is how to obtain letters of invitation through the ADKNI and how to get permission from the North Korean Government to open offices in Pyongyang on the basis of the authorization given by the South Korean Government. However, strictly speaking, they are more interested in opening Pyongyang offices, for they are competing with each other to become the first to cut the tape and enter Pyongyang triumphantly. In fact, obtaining letters of invitation has almost become a routine, and it is possible to wangle several of them without much difficulty.

As far as the possible locations of offices of South Korean firms are concerned, the Najin-Sonbong area, which has been officially opened by the North Korean authorities as a free economic zone, is another location

besides Pyongyang. Entry to this zone presupposes investment; therefore a firm which sets up a factory in it can open an office as a matter of course. That is why it is not so important to obtain permission beforehand to set up an office there. When it comes to a Pyongyang office, it can play its role as a general base of operation for commercial activities throughout North Korea.

Pyongyang Offices To Be Permitted From '98'

Who will place first in the race? But, to state the conclusion first, for South Korean businessmen to talk about opening offices in Pyongyang at this time is tantamount to "counting their chickens before they are hatched." As late as the middle of November 1994 when South Korean businessmen one after another succeeded in meeting North Korean officials in Beijing, the situation did not look so gloomy. North Korean officials said, "It will be difficult for the time being, but things will change soon." South Korean businessmen took this remark in a favorable light saying, "That is as far as they could go in view of the fact that the North Korean authorities have officially rejected the proposal of the South Korean Government for economic cooperation."

But things changed in December. ADKNI officials began to say "No" almost categorically to the question of allowing South Korean firms to open their offices in Pyongyang. They were quoted as saying, "It is impossible for the next three years." This is to say—if we are to interpret its import—that no permission will be given to open offices in Pyongyang so long as the current South Korean Government exists. "Why in the world will there be no permission... while the present government exists?" To find an answer to this question, we have to look back to "the turmoil in July 1994 over the issue of expressing condolences for the death of President Kim Il-song."

Such being the case, even the negotiation the Korea Trade Promotion Corporation (KOTRA) has been pushing in profound secrecy, to establish a trade center in Pyongyang, is no exception, and its outlook has become cloudy. It is safe to assume that it won't be possible to open the trade center in the next three years unless there is some sudden change. This is to say that because KOTRA will not be allowed to enter North Korea ahead of private firms, KOTRA will have to wait until after private firms enter there. For the time being, KOTRA is equally pessimistic about opening a trade center in the Najin-Sonbong free economic zone.

Yi Chol-ho, president of the Sonho Business Group in Yanji, China, who served as a secret emissary for the negotiation to open KOTRA trade centers in North Korea, had this to say: "The North Korean side is well aware of the nature of half-official, half-private KOTRA. When I brought up the matter, the concerned North Korean official said, This is the time for private enterprises to enter [North Korea] for cooperation; therefore please do not broach the KOTRA case. The response was negative even with regard to the Najin-Sonbong area, not

to mention Pyongyang. To tell the truth, I had to go through terrible difficulty and a predicament because I was so naive as to try to breach the KOTRA case as a subject of negotiation."

Nevertheless, when it comes to South Korean firms' entry into the Najin-Sonbong area, the situation is different. When they sign contracts with the North Korean Committee for Promotion of External Economic Cooperation (KCPEEC) and make investment, they can set up factories and offices simultaneously. The problem is whether they can get permission from the ROK Government. In other words, there are still lingering misgivings about whether our government will permit them to invest in North Korea without injecting politics into the economic issue. Our government is making things more difficult by demanding an additional written assurance of personal safety on top of the "assurance of personal safety" North Korea provides in its letters of invitation.

Someone Pockets Invitation Fees

ADKNI officials in Beijing have shown a very sensitive reaction to the rumors about the alleged undercover payments being made to obtain letters of invitation. South Korean media reported in October 1994 that South Korean companies had to pay 1 to 5 million dollars in slush money for an invitation. But ADKNI officials brushed aside this report saying, "It is a deliberate fabrication designed to undermine the ADKNI." ADKNI officials were all the more edgy because there was a rumor saying that Choe Chong-kun, the first ADKNI head, and Pak Chong-kun, the man behind the scenes, had been removed from their posts on suspicion of having received bribery money.

Said one of the South Korean businessmen who contacted ADKNI Beijing officials: "I tried to give them wristwatches as a gift after the talks were over, but they stubbornly refused to receive them. They said that when they receive a gift they have to report it to the higher authorities, who determine the value of the gift. When they find it below the permissible amount, they give it back to us. ADKNI officials said they didn't want to go through that kind of trouble."

Who would pocket the slush money then? I approached one of the behind-the-scenes operators by pretending to be planning to visit North Korea. One of the intermediaries was completely taken in by this private sting operation. I asked him: "I would like to obtain a letter of invitation to visit Pyongyang and the Najin-Sonbong area for an on-the-spot news coverage. Is there any way to get an invitation?" Replied the intermediary, who even refused to give his name: "It is possible of course. You can obtain a most secure letter of invitation if you pay \$60,000." I asked again, "How can I trust it? I hear there are many con men." He said, "xxx Company and xxx Enterprise received letters of invitation through us a long time ago. It is a solid deal." I asked, "The price is too high. Can you cut it down?" He replied, "It is \$60,000 for two, but we cannot reduce it for a single

person." I asked, "Well, how is it possible that there is another channel besides the ADKNI?" He said, "Why not? To be sure, there is another channel open for would-be visitors to North Korea, but South Koreans do not know about it."

Two Letters of Invitation for \$60,000'

He persistently refused to identify his superior in Beijing. But it was not so difficult to ascertain the identity of the top man in charge because he has his hand in so many things. He is a certain B, a Korean-American who is operating actively in Beijing (a few more details, and his identify would be instantly exposed, so I will stop here). While doing business in Beijing, he is brokering letters of invitation for would-be visitors to North Korea for so-called fees, by using long-established personal ties in North Korea.

There was another person who was doing a similar job. He is a certain K, who is operating a manufacturing business, with China and Hong Kong as the bases of operation. He takes money by working as an intermediary for South Korean businessmen desiring to operate in the Najin-Sonbong area. The professed reason for taking the money is to receive deposit money for future investment as a means of restricting random sight-seeing travel to North Korea in the guise of business. Needless to say, it is difficult to confirm the reliability of the activities of these intermediaries.

Government Considers Expanding Territorial Waters

SK0303084795 Seoul YONHAP in English 0624 GMT 3 Mar 95

[FBIS Transcribed Text] Seoul, March (YONHAP)—South Korea is considering expanding its territorial waters to 12 nautical miles in the straits of Korea and revising relevant laws to lift regulations calling for foreign-registered ships to report to South Korean authorities before they pass the straits, according to officials of the Ministry of Foreign Affairs Friday.

Officials of the Ministries of Foreign Affairs and Defense and other relevant government agencies met recently to discuss whether to allow foreign vessels including warships to pass through the straits without informing South Korean authorities of their passage, said the officials.

The convention on the law of the sea signed by member countries of the United Nations in November 1994, introduces a "transit passage" clause which allows ships to pass through all territorial waters or straits used as international sea routes without being hindered by claims of sovereign waters, said the officials.

As a signatory to the convention, South Korea is considering accepting the clause and, in that case, it has no reason to leave the straits international waters where foreign ships have free access, said the officials.

Under the convention, the country has no problem expanding the territorial waters to 12 nautical miles from the current 3 nautical miles in the straits of Korea and the median line of 11.5 nautical miles will become South Korea's territorial water line in the narrowest area ranging about 23 nautical miles in the straits between South Korea and Japan, according to the officials.

If Japan follows suit under the convention, the straits has no international waters to be used for international sea routes and South Korea and Japan will have to accept the transit passage clause under the convention so foreign ships can pass through the straits, said the officials.

What matters, however, is whether to allow foreign ships to pass through Korean territorial waters in the straits without reporting to Korean authorities, according to the officials.

Ministry officials say they will have to consider adopting the no-pre-report system for foreign ships passing through Korean territorial waters in the straits if the Japanese adopt similar steps, to avoid possible diplomatic rows with Japan or other foreign countries who will be bothered by Korea's declaration of 12 nautical miles territorial waters in the straits.

The Ministry of Defense, however, opposes the move by the Foreign Ministry to scrap the pre-report system citing security reasons, according to the officials.

Foreign Ministry officials, however, said that they have never decided their position on the issue because they have to closely watch moves by the Japanese on the issue.

South Korea does not have to adopt the transit system in case the Japanese do not declare 12 nautical miles of territorial waters in the straits even after South Korea does so, they said.

South Korea's National Assembly is expected to ratify the convention during the coming April extraordinary National Assembly sessions.

According to the transit passage clause of the convention, foreign ships have to pass through the territorial waters or straits at a normal speed, without disturbing peace and security in the country adjoining the territorial waters.

The clause also calls for passing ships to refrain from hovering or engaging in acts other than passing through the waters.

Fishermen's Incident in Morocco Investigated

SK0303060395 Seoul YONHAP in English 0530 GMT 3 Mar 95

[FBIS Transcribed Text] Seoul, March 3 (YONHAP)—The South Korean Government is still contacting Moroccan authorities to bring light to the circumstances surrounding the shooting death of a Korean skipper and

the fate of 24 fishermen caught by the Moroccan maritime police fishing in waters near Morocco, a Foreign Ministry spokesman said Friday.

"We have received conflicting reports from the fishermen and Moroccan authorities and, therefore, we need to get correct information on the mishap before deciding on our position," said the spokesman.

The fishermen reported that the Moroccan maritime police fired at the ill-fated skipper when he stood up to turn off the engine as the maritime police was approaching, according to the spokesman. They also claimed that the fishing boat was drifting due to engine failure at the time.

The Moroccan authorities, however, claimed that they fired because the boat was fleeing from waters bordering Morocco and Mauritania after it was challenged by the maritime police while operating illegally in areas where fishing is banned, according to the spokesman.

"If the Moroccan authorities are found to have committed any wrongdoings, they will not only have to face strong protests from the South Korean Government but also have to compensate for the damage done to the fishermen," said the spokesman.

He, however, added that "We will have to pay compensation for any encroachment of Moroccan waters if the fishermen actually engaged in illegal fishing there as insisted by Morocco."

On reports that the Moroccan authorities had demanded 1.2 million dollars in compensation for the alleged illegal fishing, he said that his ministry has yet to receive such reports, although he did not rule out the possibility in consideration of similar cases in the past.

He said there have been similar cases in the past but no shooting has been involved as far as he knows, adding that the ministry will have to determine whether the shooting was appropriate, after collecting all the related information.

Officials of the South Korean Embassy in Morocco made reservations for a flight to the scene of the mishap for Saturday, said the spokesman who, however, added that "It's not clear at the moment whether the flight will lift off as scheduled because things do not occur as they usually do in Islamic countries during the Ramadan fast period, which lasts one month."

The ministry first received reports on the mishap from the ministry's consulate-general in Las Palmas on Feb. 22, hours after the accident took place around 8 A.M., and instructed its embassy in Morocco to investigate the case closely, said the spokesman.

Officials of the embassy, however, have so far failed to reach the scene, 1,800 km from the Moroccan capital of Rabat, because the Moroccans have been observing a one-month fast period which almost paralyzes normal lives of the Islamic people, said the spokesman.

"It will be almost impossible for us to get to the scene by car because we would have to pass through regions controlled by rebels," said the spokesman.

Government Conveys 'Regret'

SK0303084995 Seoul YONHAP in English 0659 GMT 3 Mar 95

[FBIS Transcribed Text] Seoul, March 3 (YONHAP)—Assistant Foreign Minister Son Chun-yong Friday met with Moroccan Ambassador here Mohamed Bennani Smirs to express the South Korean Government's regret over the shooting death by the Moroccan Maritime Police of a South Korean skipper in waters near Morocco and demand an early release of fishermen detained by the Moroccan authorities, Ministry Spokesman Yu Kwang-sok said.

Pointing out that the Moroccan Maritime Police fired at the trawler even though the boat was suffering from engine failure and was not in a position to flee with its maximum speed of 8 knots, Son asked for the Moroccan Government to conduct a fair investigation into the case, according to ryu.

The vice foreign minister for political affairs also urged that the Moroccan Government make efforts to repatriate the body of Yi Won-ho, 41, skipper of the fishing boat Atlantic No. 5, according to Yu.

Son also demanded for the Moroccan Government to make due compensation to the victims if the Moroccan authorities are found to have committed any wrongdoings in the mishap.

Ambassador Bennani Smirs, meanwhile, replied that he would report the issue raised by Son to the Moroccan Government, saying that it was unfortunate for the case to involve casualties, according to Spokesman Yu.

Morocco Demands \$1.2 Million

SK0303004095 Seoul YONHAP in English 0024 GMT 3 Mar 95

[FBIS Transcribed Text] Seoul, march 3 (YONHAP)—The Moroccan Government has demanded that 1.2 million U.S. dollars be paid in return for the release of the fishermen aboard a Korean fishing boat that was fired on and detained by a Moroccan patrol boat off the Moroccan coast on Feb. 22, informed sources here said Friday.

A Foreign Ministry official said, "We've received a report from our embassy in Rabat that the Moroccan Government has demanded the payment of 1.2 million dollars for the release of the fishermen."

"But we cannot accept the demand, as the truth of the incident has yet to be established," the official said.

Skipper Yi Won-ho, 41, of the trawler "Atlantic No. 5" of Purim Fisheries Co. was shot to death by a Moroccan patrol boat while the trawler was adrift due to engine

trouble on seas along the Moroccan- Mauritanian border. Aboard the fishing vessel were eight Korean and 16 Chinese fishermen.

"The release of the fishermen will be secured through legal procedures after a thorough investigation of the incident," the official said. "Should it be confirmed that the firing took place while the fishing boat was operating legally, we will naturally demand to the Moroccan side compensation for the death of the skipper and the incident."

An official of Purim Fisheries Co. who was rushed to Morocco is negotiating with the Moroccan military authorities the release of the detained fishermen in close coordination with the South Korean Embassy there, according to the official.

The Foreign Ministry plans to dispatch an official there next week to "ensure a fair investigation and demand the release of the fishermen under detention," the official added.

Opposition Vows To Fight Election Law Change

SK0203120195 Seoul YONHAP in English 1043 GMT 2 Mar 95

[FBIS Transcribed Text] Seoul, march 2 (YONHAP)—A bipartisan clash is looming large in the offing as the opposition Democratic Party (DP) decided on Thursday to resist in full force the ruling party's plan to push an amendment to the election law through the current assembly sitting.

DP head Yi Ki-taek huddled with deputy party heads at his assembly office to agree that the party would employ all available resources in checking the ruling camp from railroading an election law amendment through the assembly.

"We must smash the machination of the ruling party in a dauntless spirit," Yi said.

He warned that the ruling party appears determined to push through an amendment to the election law with an eye at denying political parties the right to put up candidates in basic local autonomy body elections.

The opposition party convenes an emergency caucus Friday morning to discuss ways to fight it.

The meeting is set to be attended also by the non-assemblyman chairmen of the DP's district chapters in the capital area, central party officials and assistants to legislators.

Party spokesman Pak Chi-won said his party would try to prevent an amendment bill from being introduced to the assembly home affairs committee in the first place.

"We will never tolerate any attempt of the ruling party to get an election law amendment passed in an anomalous manner," Pak said.

DLP Submits Revision to Integrated Election Law

SK0303090995 Seoul YONHAP in English 0707 GMT 3 Mar 95

[FBIS Transcribed Text] Seoul, March 3 (YONHAP)—The ruling Democratic Liberal Party (DLP) Friday decided to delete a provision in its draft revision to the integrated election law that bans the candidates running for local elections from retaining their membership of political parties.

However, the government party resolved to prohibit the political parties from nominating candidates to run in the polls.

The amendment bill will be submitted to the National Assembly Friday after it undergoes its final wording.

The DLP's decision came at its high post holders meeting that was convened after the central executive council meeting where some party members took issue with the problems in the DLP-drafted revision to the law.

Some council members such as Pak Myong-kun, Kang Chae-sop, Yi Ung-hui and Nam Chae-hui pointed out that the draft revision, which bans the candidates' register of political parties in the elections for the chief administrators and councilmen of the wards, counties and small cities, will surely infringe upon the basic people's rights for choosing political parties.

They claimed that the party's draft amendment, if enacted, may run counter to the spirit of the Constitution that guarantees the people's political activities.

The ruling party is aiming for the amendment bill's passage at the on-going special parliamentary session, but the main opposition Democratic Party (DP) strongly objects to the DLP move, calling for the DLP to halt its attempt to ban the political parties from nominating the candidates.

In its caucus meeting, the opposition party resolved that it will strive to deter the DLP's unilateral attempt at the National Assembly.

Ministry To 'No Longer Bail Out Troubled' Firms

SK0303053995 Seoul THE KOREA TIMES in English 3 Mar 95 p 9

[FBIS Transcribed Text] The government has made it clear that it will no longer bail out troubled companies.

The indication comes with its decision not to rescue the Kwangju-based Toksan group. The Ministry of Finance and Economy said it is a matter to be settled by its creditor banks and the group itself.

Instead of directly bailing out the troubled group, the central bank has decided to offer 60 billion won in cash to help subcontracting firms in the politically sensitive

southwestern region. In addition, it is moving to pump 800 billion won in the banking system.

The Ministry of Finance and the Office of Bank Supervision said that no government bailout has taken place under the Kim Yong-sam administration, and that the government would not directly be involved in the rescue of the Toksan group, a representative corporate empire in the Kwangju region.

It had been usual in the 1970s and 1980s for the government to force banks to extend rescue funds to troubled companies.

the end result was a huge accumulation of nonperforming loans at major Seoul-based banks. Now government officials say the government can no longer lend a direct helping hand to troubled companies.

The government's handling of the Toksan distress has sent a clear message to the financial community.

But for the Kim Yong-sam administration, it is quite a delicate matter to adopt a market-oriented approach in the handling of insolvent industrial firms and financial institutions at a time when the local autonomy election is to be held in June.

This is especially so as the Toksan group originates from the economically weak and politically alienated Kwangju region, analysts said.

Miners Accept Government Offer, End Sit-In

SK0303092295 Seoul YONHAP in English 0803 GMT 3 Mar 95

[FBIS Transcribed Text] Chongson, Kangwon Province, March 3 (YONHAP)—Miners and their family members,

who have been protesting the government's plan to reduce coal production, accepted Friday a government offer and voluntarily ended their sit-in.

The government's offer consisted of five measures, including a promise that it will designate the Kohan-Sabuk region, one of the country's biggest coal mining areas, as "development promotion areas" at an early date.

Representatives of the mining families negotiated with Pak Un-so, vice International Trade and Industry minister, and Yi Sang-yong, governor of Kangwon Province, for about two and half hours before agreeing to the offer.

The miners had been staging a sit-in for five days, demanding that the government withdraw its plan to reduce coal production in the Kohan-Sabuk region. The plan has triggered concern among residents here that the plan, prompting the closure of the mines here, will seriously undermine the local economy.

Included in the government's offer is the promise that it will designate major mining areas in the country including Sabuk and Kohan as the areas that the government will help speed up the development.

The government will also enact a special law to develop the areas where mines have been closed into tourist resorts, and supplement the six-year mining area rehabilitation plan (1992-1998) in a way that helps expand investment during the remaining plan period.

The government will slow down the pace of reducing coal production and give financial support for alternate industries in the mining areas.

Burma**Article Says West Using KNU as Platform***BK0303042795 Rangoon Radio Myanmar in Burmese
0415 GMT 2 Mar 95*

[Unnumbered installment of an article by "a Karen national" from the 2 March issue of MYANMAR ALIN and KYEMON: "Which Way KNU?"]

[FBIS Translated Excerpt] The main factor that brought misfortune to the Karen nationals was that the entire Karen revolution fell into the hands of a selfish murderer like Nga Mya [derogatory term for Karen National Union—KNU—leader General Saw Bo Mya]. [passage omitted—brief profile of Bo Mya, transformation and growth of KNU, his rise to power]

The KNU leaders made their headquarters in Manerplaw and opened large black market trading posts in Methawaw, Methri, Mawpoke, Mela, Ye Kyaw, Kawmura, Phalu, Bawle, Ngazin, and Payathonzu camps along the border. They became very rich. They traded illicitly in cattle, teak, metal, and antiques with the country on the other side [Thailand] and imported consumer goods from there. They taxed the traders. The majority of KNU leaders settled in the country on the other side and started business activities there. They opened companies and operated factories. Businessmen from the country on the other side became rich collaborating with the KNU. Among the people who signed contracts with the KNU for the purchase of illicit resources were some high ranking personnel from the country on the other side. One trade minister from the country on the other side who made a deal with the KNU to purchase illicit teak logs was annihilated by the opposition and dismissed from his post. The economic development of the country on the other side depends on illicit resources purchased from the black market. It would not be wrong to say that most wealthy people in the country on the other side became prosperous because of Nga Mya and Khun Sa of Myanmar [Burma].

At that time, the KNU followers were fighting with their blood and sweat for the betterment of the Karen nationals. Many KNU members perished when the Defense Services began an offensive against the KNU border camps in 1984. To compensate for their military loss the KNU leaders increased their unscrupulous destructive activities. They planned to destroy Myanmar's economy by printing millions of counterfeit notes. Foreigners could also be seen mingling in Manerplaw. In 1986 the presence of spies like Bertil Litner, who wears a journalist's mask, could be seen in Manerplaw. For some time Manerplaw became a thoroughfare for foreign spies, foreign mercenary trainers, and correspondents.

The Western group helped the KNU and showed an interest in supporting all underground and overt destructive elements. The KNU was used as a platform. Thus,

all terrorist acts and antigovernment activities nationwide originated from Manerplaw. To reverse his military losses and political downfall, Nga Mya went overseas in 1985 and sought international assistance. Arms then began to accumulate in Manerplaw. Assorted arms and ammunition from the Kampuchea battlefield began flowing into Manerplaw. When the Defense Services captured KNU camps one after another in their offensives, they frequently came across and captured arms and ammunition produced by the defense industries of the country on the other side.

Nga Mya and his clique held a meeting with some respectable personnel from the country on the other side in Chiang Mai on 15-16 October 1985. The main result of that meeting was the creation of refugees. Nga Mya was permitted to open refugee camps in the country on the other side. In reality, the refugee camps were to serve as KNU base camps. At the meeting, the decision was made to allow Nga Mya to enjoy 10 percent of the income derived from the black market border trade, thus making Nga Mya richer and more prosperous. Funds to assist the refugees also landed in Nga Mya's pockets.

One extraordinary agreement reached at the 1985 Chiang Mai meeting was a severe violation of human rights. Nga Mya had to recruit 500 mercenaries annually. Because there is conscription in the country on the other side, those who do not want to be drafted must hire a substitute for conscription. Nga Mya sold 500 young Karens for conscription annually. Nga Mya thought he would get well-trained soldiers when those young men returned after the completion of their draft duty. In fact, this was a modern kind of slave trade.

Nga Mya had already been promised full assistance as long as he did not get involved with the communists. This is the reason he strongly objected to the military pact signed between the Burma Communist Party and the National Democratic Front. Nga Mya stood as an anticommunist and antisocialist revolutionary in the eyes of the Western group. As the assistance received in 1985 made Nga Mya and the KNU leaders more prosperous, it made the Karen public suffer more. [passage omitted]

Radio Notes Return of 9,495 Karen Refugees*BK0303041295 Rangoon Radio Myanmar in Burmese
1330 GMT 2 Mar 95*

[FBIS Translated Excerpt] Since Manerplaw, the headquarters of the Karen terrorist insurgents, and Kawmura, alias Wakhathit camp, were captured by DKBA [Democratic Karen Buddhist Army] forces under the Democratic Karen Buddhist Organization [DKBO], there has been peace and tranquility in the Manerplaw region. Karen families that took refuge in the country on the other side [Thailand] and Karen nationals from the so-called KNU refugee camps have been returning to our country daily due to intimidation by Karen terrorist insurgents. [passage omitted—breakdown of villages and people]

A total of 2,497 refugees—1,241 males and 1,256 females—from 440 households in 18 villages returned today. Furthermore, after learning about the genuine goodwill of the government, persuasion by the peace-loving DKBA, assistance by the Defense Services, and the warm welcome by the people, DKBO families and Karen national families have been trickling back to Myainggying village. Returning to Myainggying village were 6,998 refugees—3,304 males and 3,694 females—from 1,440 households.

Altogether 9,495 refugees—4,545 males and 4,950 females—from 1,880 households have returned as of today. Responsible personnel have warmly welcomed these refugees at various villages and given them the necessary assistance. Temporary shelters, medical treatment, and welfare shops have been opened for DKBO members and other refugees that returned to Myainggying village. Furthermore, the government's Ministry of Progress of Border Areas and National Races and Development Affairs has been planning a dispensary, school, and civil development works for Myainggying village. Land leveling is underway using heavy machinery.

Brunei, Malaysia & Singapore

Malaysia

* Mahathir Asks for Broader Religious Education

95SE0115A Kuala Lumpur UTUSAN MALAYSIA in Malay 21 Jan 95 pp 1, 2

[Article by Hassan Mohamad Noor]

[FBIS Translated Text] Johor Bahru 20 January—Prime Minister Mahathir Mohamad has declared that a broader view should be taken of the scope of religious education to attract the younger generation once again to hold fast to the teachings of Islam as a stronghold against moral decay.

The prime minister said that more time is being devoted to Islamic religious teaching in schools. However, the impression made by this teaching, from the point of view of preventing undesirable activity, is not so apparent.

In that connection he hoped that the issue of the content of religious education will be studied in detail, not only by religious experts but also by experts in pedagogy and psychology.

The prime minister said: "A determination to ensure that religious education makes a greater impression is necessary before we can train people who fear to commit sin."

Speaking at the opening of the National Congress of Islamic Education at the Islamic Center Complex in Johor Bahru on 20 January, he said: "Belief and conviction in Islamic teaching does not have to depend solely on feelings of fear."

Dr Mahathir declared that belief in Islamic teaching and the conviction that Islam is the best religion should be accepted because its essential goodness is not only valid until the end of time but also in the world in general.

According to the prime minister, it is essential for Islamic education to make an impression, because the country is facing a decline in morality among a majority of young people. Sad to say, most young men and women involved in drugs are Muslims.

He said: "Of course, this decline in morality is not because of the religion to which they belong."

He continued: "The Islamic religion should be a fortress which to protect young children from falling into patterns of misbehavior. However, its clear essence cannot be denied."

Dr Mahathir stated that Islamic young people are morally weaker than young people who are not Muslims. Efforts should be made to study this matter and fully understand its causes.

He said: "We must study why the Islamic religion is not the fortress which we hoped it would be. However, initial research shows that our young people do not hold firmly to the teachings of Islam and indeed are very far from applying them."

He went on to say: "Their knowledge of Islamic teaching is not very deep, and their faith is weak. That is why they abandoned Islamic teaching, with the result that they are not even a little bit ashamed of their ignorance."

The prime minister said that it is not impossible that the weakness of their knowledge of the Islamic religion and their attitude has some relationship to their perception of what they consider religious teaching.

He stated that it is possible that this weakness was derived from pressures which prevented Islamic instruction given in the schools from having much impact on them.

Dr Mahathir said that although religious teaching begins at home, if parents lack knowledge of their faith and do not consider how to present religious instruction to their children, it is unlikely that the parents' role made much of an impression on them.

Furthermore, family customs now are different from what they were in the past, when children feared and respected their parents.

The prime minister said that their exposure nowadays to foreign ways of living makes it difficult for parents to instill feelings of fear among their children. Young children are freer and more clever than their parents were when they were growing up.

He stated that if parents are expected to play a role which has some impact on their children, they must first be trained at home.

He said: "In advising couples who wish to establish a family, the present emphasis is not on the responsibilities of parents but is more directed toward the wedding ceremony and the rights of husband and wife."

He continued: "There is a view which states that the wife must serve her husband in all things, without emphasizing the importance of the husband serving the wife."

The prime minister said that the question of training the children does not receive much attention. If any emphasis is placed on training children at all, it is only on religious practices, such as prayer, fasting during the month of Ramadan, and reading the Koran to define their knowledge of Islam.

He said that, as far as he knows, the foundation of religious teaching everywhere is directed toward certain religious practices, with particular emphasis on the rewards of virtue, sin, and heaven, because it believed that as a result Muslims, and especially children and young people, will be afraid to commit sin and will want to obtain the rewards of virtue, with the result that they will obey Islamic teachings.

He stated that for those whose faith is strong, it is indeed true that they will be afraid to commit sin. However, if Islamic teaching does not make much of an impact on them, their faith will be weak, and they will not be afraid to commit sin.

Dr Mahathir also asked religious leaders to play a part in demonstrating that the Islamic religion is easy to follow and is not a burden in the effort to train the next generation to move closer to religion.

The prime minister said that with the help of belief and faith the effort to prevent moral decline among young people will succeed more quickly.

He also said that religious leaders should strongly support and play an active role in making a success of the Rakan Muda [Young Comrades] program.

In connection with that Dr Mahathir also emphasized that the Islamic community still gives the impression at the present time that, apart from religious duties which he mentioned, other activities are not respected by Islam and may be considered to be in conflict with Islamic teachings.

He said that this situation makes the Islamic religious unattractive because young people consider it too narrow.

He gave the example of how important people's instincts are, particularly when they are young. They like to pursue pleasure. However, some people regard pleasure as something which is not approved by the Islamic religion.

He said: "On the other hand, pleasure may be directed toward healthy activities, such as engaging in sports,

singing in a proper way, and playing musical instruments. These can fill in time and give pleasure to young people without harming their view of religion or causing them to become involved in immoral activity."

*** Anwar Criticizes Pan-Malaysian Islamic Party**
95SE0115B Kuala Lumpur UTUSAN MALAYSIA in Malay 22 Jan 95 p 6

[Article by Azizan Hashim: "PAS Needs To Change Party Name"]

[FBIS Translated Text] Alur Setar, 21 January—Anwar Ibrahim, vice president of UMNO [United Malays National Organization], has stated that PAS [PMIP—Pan-Malaysian Islamic Party] should change its name to one more in accordance with the attitude of its leaders, who like to insult people.

Anwar said that the attitude of about half of the PAS leadership clearly does not reflect their behavior and their insincerity.

He regretted this because the opposition leaders still continue to display contempt toward Malaysian government leaders, despite much of the progress achieved and enjoyed by the people of the various communities in this country.

He said: "PAS leaders should speak in a positive way or make proper suggestions. However, this is not done by their representatives in Parliament."

Speaking at the meeting of the Joint Association of Leaders and People in Kuala Kedah, 11 km from Alur Setar on 21 January, Anwar said: "Beginning with the time I served as minister of education and then became minister of finance, I have not received any document with their advice."

About 3,000 people attended the association meeting, at which Osman Aroff, chief minister of the State of Kedah, chairman of the UMNO Communications Board of Kedah, and leader of all components of the National Front, was also present.

According to the UMNO vice president, the government's efforts to implement an Islamic program in this country have gone further than those of many other Islamic countries in the world.

Indeed, he said, about half of the Islamic countries are studying the system which is successfully being implemented in Malaysia.

Anwar also recalled that the National Front government always has an open attitude toward the wishes of the people and, as far as possible, will defend the interests of all groups in Malaysia. He said, for example, regarding the Fisheries Act, if it causes problems to the fishermen, the government is prepared to change or modify this legislation.

Anwar also referred to the question of the "woodpecker" emblem used by PAS. It blames the government because it charges that UMNO is trying to prevent the implementation of Islamic law in Malaysia.

Anwar said, "The matter of our Islamic law is not in question. The matter of our law on Islamic associations is not in question. We support Koranic law. What we oppose is the view which PAS takes of Islamic law in the State of Kelantan."

Again according to Anwar, the government has reasons for opposing the PAS concept of Islamic law. It has accepted the views of Muslim teachers throughout the world, but not the concept of the chairman of the PAS branch in the State of Kelantan.

Singapore

Ministry Welcomes U.S. Commitment in Region

BK0303120395 Singapore *THE STRAITS TIMES* in English 2 Mar 95 p 1

[FBIS Transcribed Text] Singapore has welcomed the reaffirmation by the United States of its commitment towards Asia-Pacific security and stability.

"The US decision to maintain existing US force levels in the region and to improve their capabilities will contribute significantly to continued stability in the Asia-Pacific and enable all countries in the region to grow and prosper in a peaceful environment," a Singapore Foreign Ministry spokesman said yesterday.

The reaffirmation was revealed in the US Defence Department's Security Strategy for the East Asia-Pacific report, which was released this week. The US said it is dropping a planned reduction in the number of its troops in the Asia-Pacific.

Besides maintaining troop levels, American forces and their equipment in the region will also undergo modernisation programmes which will result in improved "capability, flexibility and lethality".

In addition, steps would be taken to ensure that US troops and weapons would be able to deploy more quickly if there was a crisis in the region.

This includes prepositioning military equipment in countries like South Korea. There are currently 37,000 US troops in South Korea, about 45,000 in Japan and over 15,000 sailors and Marines assigned to the Far Western Pacific aboard warships on a rotating basis.

The MFA [Ministry of Foreign Affairs] spokesman also said that Singapore welcomed the US commitment to work with Asean and other countries to explore new cooperative security approaches through the Asean Regional Forum (ARF)

CAD Asks Germany To Extradite Barings Trader

BK0203150095 Singapore Radio Corporation of Singapore in English 1400 GMT 2 Mar 95

[FBIS Transcribed Text] Singapore Commercial Affairs Department [CAD] has asked Germany to extradite [word indistinct] Barings trader Nick Leeson to the republic. The CAD said it made the request after being informed by German police this afternoon that Leeson had been detained. The department earlier asked the German authorities to Interpol to detain Leeson when he landed at Frankfurt. The request came after the CAD established to its overseas counterpart that Leeson had boarded a Frankfurt-bound flight from outside Singapore.

The CAD added that it has received a police report on Monday that the chief trade and general manager of Barings Future Singapore had committed offenses of forgery. A warrant of arrest was issued immediately, but Leeson had left Singapore even before the police report was made.

Navy To Participate in Multilateral Exercise

BK0303123095 Singapore Radio Corporation of Singapore in English 1100 GMT 3 Mar 95

[FBIS Transcribed Text] Two Republic of Singapore Navy missile corvettes will be taking part in a multilateral naval exercise hosted by the Royal Australian Navy in the Timor Sea. The exercise, codenamed Exercise Kakadu, is aimed at improving cooperation and understanding. Navies from Britain, New Zealand, Malaysia, and Thailand will also be involved, while Indonesia and the Philippines will be sending observers.

Cambodia

Foreign Minister on Tokyo Development Forum

BK0203134595 Phnom Penh AKP in English 0935 GMT 2 Mar 95

[FBIS Transcribed Text] Phnom Penh AKP March 2—Ing Huot, minister of foreign affairs and international cooperation, expressed his full satisfaction at the outcome of the Forum for the Comprehensive Development of Cambodia, Laos and Vietnam (CLV).

Ing Huot returned here from Tokyo on Tuesday, 28 February, said that Cambodia welcomes the creation of the working committee on the development of infrastructure chaired by Japan with ADB [Asian Development Bank] acting as a cooperating agency, the working committee on the development of human resources chaired by France with UNDP [United Nations Development Program] as a cooperating agency and the agreement in principle to set up an advisory group on trade and investment in joint cooperation between Japan, Thailand and ESCAP [Economic and Social Commission for Asia and the Pacific] and in consultation with the CLV countries.

With regard to the long-term projects and programmes such as an international airport, bridges, roads, a seaport and a hydro-electric power dam, etc ... Cambodia is very grateful to the donor countries. However the minister stressed that the most favoured nation status as well as general system of preferences requested by Cambodia could lay the ground for the further development of Cambodia, making its products competitive and attracting foreign investors.

"The major international institutions such as the World Bank, the International Monetary Fund, the Asian Development Bank, UNDP and ESCAP appreciated the effective use of international assistance by the Royal Government and expressed their full commitment for the continuation of their aid and assistance towards the rehabilitation and reconstruction of Cambodia," said the minister.

The Forum for the Comprehensive Development of Cambodia, Laos and Vietnam held in Tokyo from Feb 26 to Feb 27, 1995 was sponsored by the Japanese Government as a complementary forum of the International Conference on the Rehabilitation of Cambodia.

Memo on Military Ties Signed With Australia

BK0303040495 Phnom Penh National Radio of Cambodia Network in Cambodian 1200 GMT 2 Mar 95

[FBIS Translated Text] Their Excellencies Co-Defense Ministers Tie Banh and Tea Chamrat signed a memorandum on friendly relations and military cooperation between Cambodia and Australia with Anthony Kevin, Australian ambassador to the Kingdom of Cambodia, at the Defense Ministry Office on the morning of 28 February. Present at the signing ceremony were high-ranking officers from the National Defense Ministry Department and (David Miss), Australian military attache to the Kingdom of Cambodia.

Alleged Lao Incursion in Stung Treng Viewed

BK0303064295 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 2 Mar 95 pp 1, 11

[FBIS Translated Text] Van Vut, a member of parliament for the Stung Treng constituency, has expressed his high optimism about a peaceful bilateral settlement between the provincial authorities regarding the occupation of Kingdom of Cambodia border outposts by Lao troops.

He informed REAKSMEI KAMPUCHEA on the morning of 28 February that he had just been personally briefed by the governor and deputy governor of Stung Treng Province on the problem arising from the occupation of Cambodian border outposts by Lao troops. He was told that this problem has already been discussed by the provincial authorities of Stung Treng and Champassak in the Lao People's Democratic Republic, and the Lao side has promised to withdraw its forces soon.

Van Vut told our correspondent he was very happy with this agreeable news. He went on to say that he had received this information only a few days ago and that he planned to go to Stung Treng again very soon. He went there in mid-February after learning of the intrusion by the Lao troops. He assured us that the situation there was not as bad as the situation on the Cambodian-Vietnamese border.

According to a report presented by the provincial governor based on data provided by Siem Pang District, Laos has crossed the border and positioned two platoons of troops inside Cambodia at Kaoh Russei and O Ta Ngau, two abandoned Cambodian outposts from the time of Sangkum Reas Niyum. The report added that this Lao troop presence has encouraged Laotians to cross the border and conduct activities such as hunting and possibly logging inside of Cambodia.

In a statement issued in Phnom Penh, the Lao Embassy denied that such a violation has taken place. Lao Embassy Spokesman Sum Khumthasit recently said that he did not believe the accusation was true because "the two countries have longstanding good relations, especially recently."

It should be noted that the areas where the Lao troops have moved in are located on the border between Siem Pang District of Stung Treng Province and Sanamsai District of Attapu Province along the Tonle Kong River from Pak Song and Chantha Ban to O Ta Ngau, a stretch of some 30 km. This river is 200 to 300 meters wide and constitutes the natural frontier between Laos and Cambodia. In the time of Sangkum Reas Niyum, the Cambodian Government set up two outposts, one near Kaoh Russei and the other near O Ta Ngau. Our government forces abandoned these areas long ago, inadvertently encouraging Lao troops to move in and fill the vacuum by occupying the Cambodian outposts.

According to Van Vut's observation, this movement by Lao troops was merely a shift from their outposts in Laos to the abandoned outposts in Cambodia; it is not 30 to 40 km deep as reported by some sources. Nevertheless, any failure to solve the issue quickly will surely complicate the problem.

Van Vut stressed that in general this border region is very thinly populated but it is rich in wildlife and precious hardwood. In his opinion, the two outposts should be reopened to protect our territorial integrity. He affirmed that the local people will surely welcome any decision to reoccupy these outposts.

Besides this shift of Lao troops into the two outposts, there are also other incidents of Laotians freely crossing the border to poach or log in Cambodian territory at Boeng Kduoch and Phu Kiv of Siem Pang District, Stung Treng Province, opposite Meung Khong District, Champassak Province.

Van Vut said that these areas are mostly uninhabited and people can cross the border back and forth

unchecked. He added that reports about illegal logging activities are true. He said, however, that these problems will come to an end following the province-to-province talks. He also expressed satisfaction with the efforts made by the Stung Treng provincial leadership to bring this problem to a close.

Government Controls KR Northern Stronghold

*BK0203142395 Hong Kong AFP in English 1400 GMT
2 Mar 95*

[FBIS Transcribed Text] Phnom Penh, March 2 (AFP)—Cambodian government forces have taken full control of the Khmer Rouge's [KR] headquarters at Anlong Veng near the Thai border in northwest Siem Reap province, a senior military official said Thursday.

"There was no serious fighting with our army because there were only small groups of Khmer Rouge left there," deputy chief of staff General Nhek Bun Chay told AFP by telephone from Northwestern Battambang city.

Government troops, who have been in the Anlong Veng area for weeks, gained control of the rebel base "ten days ago," he said.

The government's advance was hampered by guerrilla landmines and booby-traps left in houses in the area.

The general said eight soldiers were injured by landmines as government troops secured the base.

Many others soldiers were reported injured by mines in the advance on the remote base but no detailed casualty figures have been made available.

Nhek Bun Chay also said he had no reports of guerrilla casualties and added that most of the Khmer Rouge guerrillas remaining in the area had fled towards the mountains along the Thai-Cambodian border.

Western diplomats and military attaches have for several weeks predicted the fall of Anlong Veng but said the more important question was whether the government could hold on to the area.

Government forces took Anlong Veng last year but lost it some three weeks later in a humiliating guerrilla counter-attack.

A senior Western diplomat, however, recently said he believed the government forces had learnt "a huge lesson" from last year's debacle and would not over expose troops or over extend supply lines this time.

Nhek Bun Chay said the government's advance was made easier by the fact that "many Khmer Rouge defected."

Some 2,000 guerrillas defected in Siem Reap province over the past year although it is unclear how many of these were Khmer Rouge militia as opposed to hardcore fighters.

The deputy chief of staff said a small contingent of government troops was stationed in the guerrilla base while some 2,000 troops were deployed in the surrounding area.

The general said he was confident the government would hold the area and deal a significant blow to the outlawed guerrilla faction.

Coup Leader Sin Sen To Go Free 'Soon'

*BK0303055995 Phnom Penh REAKSMEI
KAMPUCHEA in Cambodian 3 Mar 95 pp 1, 3*

[FBIS Translated Text] Sin Sen, a leader of the failed 2 July 1994 coup who is serving an 18-year sentence in the T-3 Prison, will be released soon.

Information Ministry Spokesman Leng Sok said on 1 March that "Sin Sen is in a situation where legal documents are being prepared in accordance with the legal procedure for his release from prison." It is not yet known when Sin Sen will be released.

Earlier, His Majesty King Norodom Sihanouk sent a message from Beijing asking the Royal Government to grant amnesty to Sin Sen. According to Article 27 of the Constitution, the king has the prerogative to reduce a sentence or pardon those who have been sentenced by the courts. On this issue, Leng Sok stressed that the Royal Government is working on Sin Sen's release. The authority, however, rests with Samdech Chea Sim and the two samdech prime ministers who would sign the release documents.

Of the other two coup leaders, Prince Kromkhun Norodom Chakkrapong is currently seeking asylum in France while Sin Song is being detained in Thailand for illegal entry into that country. The Thai Government did not respond positively to the Royal Government of Cambodia's request for Sin Song's extradition, saying that this was against Thai law.

The Thai Government recently decided to let Sin Song stay temporarily while he seeks asylum in a third country.

On this issue Leng Sok said: "It is the Thai Government's right to decide whether to send Sin Song back to Cambodia. This could be a factor in diplomacy, however." He added: "Normally we are not happy if we fail to get back the cake that has been snatched from us, but this case will not affect relations between Cambodia and Thailand."

With regard to Sin Sen's case, analysts say he should be released as requested by the king because the other two coup ringleaders are free and living comfortably abroad. Therefore, the small fry in the coup should also be released.

Yet when everyone who is guilty of staging the coup are released, what is the meaning of the coup? Could this be

an example for those attempting a coup in the future? Only the Royal Government can answer this.

Experts To Address Anticorruption Conference

BK0103145995 Phnom Penh PHNOM PENH POST in English 24 Feb-9 Mar 95 p 9

[Report by Jason Barber]

[FBIS Transcribed Text] An unprecedented major conference on corruption and how to stop it will be held in Phnom Penh next month, attended by a host of high-level Cambodian and foreign guests.

The co-Prime Ministers are expected to give a public commitment to fighting graft within government ranks when they give keynote addresses to the conference.

Also attending will be the Minister of Finance, Keat Chhon, and leading corruption-fighters from Hong Kong and Malaysia.

Three proposals—to define and outlaw corruption; set up an independent commission against corruption; and require government employees, from top to bottom, to publicly declare their assets—will be debated at the conference.

The conference, on "Corruption and its Impacts on National Reconstruction and Reconciliation", will be held at the Cambodiana Hotel on March 2-3.

Organized by the Preah Sihanouk Raj Academy, a recently-established independent think-tank, it is part of a USAID-funded project to promote public accountability.

Project director Pok Than said that he saw the co-Prime Ministers' agreement to speak at the conference as a sign of their commitment to reducing corruption.

"By coming there, they will publicly admit they are aware of the problem.

"I believe that this could be the first commitment by the government to do something."

He said that by displaying a willingness to fight corruption, government leaders could go to the next ICORC [International Committee on the Reconstruction of Cambodia] meeting of foreign donors to Cambodia in Paris next month "with heads held high".

Asked how genuinely-committed to deterring corruption the government was Pok Than said: "I don't know how sincere it is, but I feel that there is no other choice. They have to deal with this problem."

But he warned that establishing an effective legal framework to tackle corruption would require much work.

"You can make a weak (anti-corruption) law which will not do anything. We have to make sure the law is strong enough and independent enough."

Among those attending the conference—to speak on their countries' anti-corruption measures—will be the Commissioner of Hong Kong's Independent Commission Against Corruption, Bertrand de Speville, and the Director of Malaysia's Anti-Corruption Agency, Lee Kwan Chiew.

Pok Than believed that, in line with overseas experience, three laws were needed in Cambodia:

1. To impose penalties for corruption.
2. To establish a truly independent anti-corruption commission, staffed by people of the highest integrity, to investigate and prevent opportunities for corruption.
3. To require government employees—from ministers and judges to the lowest tier of civil servants—to periodically declare their personal assets.

Pok Than said no research had been done on the extent of corruption in Cambodia—though he believed the number of people involved was small—nor was it really needed.

"We have all heard the stories... The public knows what's going on around here.

"You only have to look at public (servants') salaries and the way that some people live..."

He agreed that it would be hard to eliminate corruption while state salaries were so low. But he believed the government could afford to raise salaries if it recouped money lost through corruption, imposed a better tax system and ensured all money from industries such as logging went into public coffers.

He said the government was drawing up its own anti-corruption laws, and individual MPs had drafted their own, and a compromise between them was likely in the end.

BLDP [Buddhist Liberal Democratic Party] MPs Kem Sokha and Son Chhai, who have prepared draft laws on the issue, will both address the conference.

Kem Sokha told the Post that the two MPs' laws had prompted a letter from the Council of Ministers saying the government was drawing up its own anti-corruption measures.

"The government doesn't want any law submitted by MPs, it wants to draft the law themselves... it always wants to be higher than the National Assembly," he said.

If the government rejected the MPs' draft laws, but failed to produce an effective law itself, "it will mean the government doesn't want to show corruption and... that the government itself commits corruption.

"It is very, very hard to make war (on corruption) because the person who is corrupt is the person who has

power. Simple government officers are corrupt because they have the top officers behind them," Kem Sokha said.

Philippines

* Potential Voters Urged To Register, Vote

95SE0108B Manila BALITA in Tagalog 28 Jan 95 p 4

[FBIS Translated Text] In preparation for the election this year, Filipinos who are 18 years or older are urged to register now so that they can vote for national or local officials on 18 May.

According to the Commission on Elections [COM-ELEC], to register and vote is a very important obligation of every citizen. The new voters are required to register in their barangay's respective precincts to enable them to vote on election day.

The people will be able to choose what government officials are right for them. If the people give no importance to voting, the result is almost predictable and dangerous because it is through neglect that the weak, the feeble and even those with dubious morals get elected. As some people say, if the good people do not act, then the bad ones win. On the other hand, the deserving candidates who will work for the good of all can only be elected through an active and intelligent participation of the voters.

In addition to registering to vote and knowing their precincts and barangays, the civic-minded Filipino has to get to know the candidates, not only those on the national level who are already well known through mass media publications but more so the new ones in the local level—from councilors to vice mayors and mayors; from board members to vice governors and governors; and most of all the representatives in the district where the voter belongs. The intelligent voter has to know the candidate's history, his past, education, qualifications, and most of all his achievements in public service in order to establish whether or not such a candidate is able to perform the functions of the office he is running for and make true his election promises.

For us, the new voters: Show your love to your nation and people by registering now. Try your best to know your candidates so you can vote intelligently.

* Internal Revenue Officials Probed for Graft

95SE0108A Manila BALITA in Tagalog 20 Jan 95 p 3

[FBIS Translated Text] Presidential Commission Against Graft and Corruption Chairman Eufemio Domingo has asked Bureau of Internal Revenue [BIR] Commissioner Liwayway Chato for the list of the BIR presidential appointees who were involved in an anomaly, including regional directors and revenue district officers who were implicated in the alleged "ante-dating racket"

regarding recently finished tax cases which investigations were made possible through the power of Letters of Authority.

Domingo wants the confidential report by BIR Assistant Commissioner Rizalina Magalona, who was assigned by Chato to audit the anomalous investigations handled by regional directors and revenue district officers.

The involvement of one of the three BIR deputy commissioners in the anomaly was already known before the alleged Magalona report, which implicated 14 BIR key officials who in a conspiracy to issue ante-dated Letters of Authority to enable them to investigate big corporations, came up.

The Presidential Commission Against Graft and Corruption also used the Magalona report in ousting former Makati Regional Director Osmundo Umali. Umali's case is under appeal at the Court of Appeals.

In the latest Magalona audit report, two BIR directors and 12 revenue district officers in Metro Manila were found to have violated the Revenue Memorandum Circular 31-93 regarding the "ban" of investigations on any kind of tax following the illegal issuance of 1,155 letters of authority.

Recently Senator Ernesto Maceda commended Chato's management of the BIR, which has been suspected and known by many as one of the centers of corruption.

New Tariff Rates Set for 3 Basic Industries

BK0203143095 Manila MANILA BULLETIN in English 1 Mar 95 p B-7

[FBIS Transcribed Text] The government has finalized the tariff rates that would protect the three critical basic industries—automotive, petrochemicals, and steel—until year 2004.

Trade and Industry Secretary Rizalino S. Navarro yesterday said the tariff rates, which would be imposed on a most-favored-nation (MFN) basis, remains the only issue left that would be presented to the private sector on Tuesday.

The tariff reduction program would be consistent with the Common Effective Preferential Tariff, which means that by year 2004 all of the country's imports will have a uniform five percent tariff rates.

Under the tariff plan, approved by the Tariff and Related Matters (TRM) committee, the passenger car category of the automotive sector will have a maximum tariff rate of 30 percent reduced tariff rate starting July 1 this year.

This means that completely built-up (CBU) units will have a 30 percent rate starting July this year from the existing 40 percent until year 1999.

It will further go down to 20 percent by the year 2000 until year 2003 and down to five percent by year 2004.

For completely-knocked-down (CKD) units, tariff rates would be slashed to 10 percent from 20 percent until year 1999 then further down to three percent by the year 2000 until 2003 and raised to five percent by year 2004.

The tariff schedule for motorcycles will be the same as those of the passenger cars.

For commercial vehicles, tariffs vary where Asian Utility Vehicles (AUV) on a CBU basis with less than 10 percent capacity would be reduced to 30 percent from the present 40 percent to be maintained until 1999 down to 20 percent until 20 percent and five percent by year 2004.

AUVs with a capacity of 10 or more persons will be reduced to 45 percent in July from the present 55 percent.

It will go down to 30 percent by 1996 until 1999 and further down to 20 percent by the year 2000 until year 2003 and a final five percent by the year 2004.

AUVs on a CKD basis with less than 10 passengers will be reduced to 10 percent from 20 percent until 1999 and down to three percent until 2003 and will be raised to five percent by year 2003.

The light commercial vehicle (LCV) category with less than 10 persons in capacity will be slapped with a 45 percent rate this July from 55 percent down to 30 percent and 20 percent by year 2000 down to five percent by year 2004.

For LCVs with 10 or more persons in capacity would be reduced to 45 percent from the existing 55 percent. This rate will go down to 30 percent in 1996 until year 2000 where it will be down to 20 percent and five percent in 2004.

The existing 10 percent rate on LCVs on CKD packs would be maintained until year 1999 and down to three percent by 2000.

For the petrochemical industry, polypropylene and polyethylene will both have 10 percent rate until 1996. The rates will be raised to 20 percent until 1999 but would be brought back to 10 percent by year 2000 until 2003 and five percent by 2004.

A 20 percent tariff protection on polystyrene would be maintained until year 1998 and 10 percent starting 1999 up to 2003 and the final five by year 2004.

Plastic sheets will have a uniform 20 percent rate up to year 2002 and 10 percent by year 2003 and five percent by year 2004.

Thailand

Settlement of U.S.-PRC Trade Dispute Viewed
BK0303055795 Bangkok SIAM POST in Thai 2 Mar 95 p 4

[Editorial: "Settlement of the Trade War"]

[FBIS Translated Text] The United States and China have concluded a basic agreement on the protection of intellectual property. The former had set 26 February as the deadline for compliance by the latter. The issue ended amicably after China began on 1 March to send its task force to seize pirated U.S. products throughout China.

China is the latest country in which U.S. intellectual products were being extensively pirated to agree to protect them, and it has agreed to destroy these products. Thailand and other countries already agreed to do the same.

At first glance, it appears that the United States has achieved a complete victory over China. This is because in addition to the things mentioned above, the United States has been able to force China to take legal action against the manufacturers of pirated U.S. intellectual products and has gained approval to inspect the Chinese operation after six months.

At first China indicated that it would increase its tariffs by 100 percent in retaliation against the United States rather than comply with the U.S. demands. The subsequent negotiations between the two countries' trade representatives began tensely, but eventually concluded smoothly on the very day the United States set as the deadline.

From another angle, as a socialist country, China's future role in the international community is worth watching. In the age of globalization China could achieve trade development equal to other countries and even gain the upper hand in light of its abundant domestic resources.

Many countries are surprised by China's attitude and how easily the United States was able to gain nearly everything it wanted. Meanwhile, China has created a creditable image in the eyes of countries that want to trade with or invest in that country as a place that is trouble-free.

By agreeing to make a joint statement with the United States to show its compliance with every point, China proved to the world that it is a superpower that respects the legitimate rights of all countries and has given notice that its legitimate rights must be respected as well.

Deputy U.S. Trade Representative Charlene Barshefsky, the head of the U.S. negotiating team, claimed that the agreement is the most complete one ever and it amounts to a U.S. victory. It is possible, however, that in the next few decades China will come out to declare that it achieved the bigger victory.

Border Incidents Protested to Cambodia

Aide-Memoire Handed to Ambassador
BK0303130195 Bangkok Radio Thailand Network in Thai 1200 GMT 3 Mar 95

[FBIS Translated Text] At 1500 today, Phirat Itsarasena na Ayutthaya, acting permanent secretary of the Foreign

Ministry, handed an aide-memoire to the Cambodian ambassador. The aide memoire concerns the violation of Thai territory in Sisaket Province by Cambodian Government soldiers when they ambushed a Suranari Force unit while it was resupplying Thai soldiers at the checkpoint at Tambon Samroengkiat, Khun Han District, resulting in the deaths of two Thai soldiers and injuries to three others. The Cambodian side also shelled Thai territory, constituting a clear violation of Thailand's territorial integrity. The Thai Government cannot remain idle over these acts of violation of sovereignty and territorial integrity.

The Thai government asks the Cambodian government to investigate these incidents and act to prevent any recurrence of such incidents.

Army To Lodge Complaint

BK0303073395 Bangkok THE NATION in English 3 Mar 95 p A5

[FBIS Transcribed Text] The Army will lodge a formal complaint with Phnom Penh for the recent attacks on Thai paramilitary troopers in Sisaket's Khun Han district by Cambodian government troops, Assistant Army Command in Chief Gen Chettha Thanacharo said yesterday.

Chettha said the Army's protest is justified because Cambodian troops had encroached on Thai territory and killed Thai troopers.

"We will surely protest the ambush... We cannot afford to tolerate it. We must (take some action) because they're encroaching on our territory," he said.

Two paramilitary troopers, Sgt [Sergeant] Wichit Krairat and Sgt Wirat Soktha, were killed when their truck was hit by rocket propelled grenades, machine gun fire and rifle fire from Cambodian troops while on their way to a border crossing in Sisaket's Khun Han district. Four others were seriously injured.

Chettha said the Army was prepared to order a counter-attack on any country encroaching on Thai territory, but it never believed such attacks would be necessary.

Army Commander in Chief Gen Wimon Wongwanit said the Army could not tolerate the killing of its two officers, and therefore he had to order a counter-attack. "If we don't do anything, they will keep harassing us."

Cambodian Reply Awaited on Death of Loggers

BK0303060495 Bangkok THE NATION in English 3 Mar 95 p A2

[FBIS Transcribed Text] Thailand is still waiting for a clear answer from Cambodia over the murder of Thai workers there as the authorities have failed to bring the culprits to justice, Deputy Foreign Minister Surin Phitsuwan has confirmed.

Surin said the Foreign Ministry recently repeated its demand for Phnom Penh to clear up the tragic mystery of the 22 Thai logging workers who were brutally shot and beaten to death in the border province of Preah Vihear in late November.

"We repeated our demand in February for the Cambodia authorities to solve the case. Twenty-two Thais were killed, but so far no one has been deemed responsible. We are still waiting for a response," Surin said.

The Phnom Penh government has accused the outlawed Khmer Rouge, claiming that the area the loggers worked in is controlled by the guerrillas. But it was the government that granted the logging concessions to BLP Forestry Co, which employed the slain workers.

"We must have a clear answer from the Cambodian side. The Thais must not have died in vain. We have not forgotten—we want an answer," Surin said.

Thai authorities are not happy about how the case has been handled. The Phnom Penh government has failed to conduct an investigation, let alone take legal action against those responsible.

"We do not want the case to cloud relations between Thailand and Cambodia," Surin stressed.

The bodies of the workers were found in Preah Vihear's Choam Khsan district, 60 kilometres from the Thai border. Some were shot from behind, while others were brutally beaten to death.

Ministry Protests to Burma on Karen Abduction

BK0303130495 Bangkok Radio Thailand Network in Thai 1200 GMT 3 Mar 95

[FBIS Translated Text] At 1600 today, Sarot Chawanawirat, the deputy permanent secretary of the Foreign Ministry for regional activities, handed an aide memoire to the Burmese ambassador. The aide memoire protests the 1 March incident in which 30 Burmese soldiers, who witnesses say were led by Lieutenant Maung Cho, crossed the border to abduct Chan Thonkhai, a judge in the Karen community at Hlaingbwe District of Burma who had fled the fighting to the refugee site Huai Manok Center in Tha Song Yang District, Tak Province. The Burmese soldiers also shot Thai and Karen people, seriously wounding them. The act constitutes a clear violation of Thai sovereignty. The Burmese Embassy is requested to inform the Burmese officials concerned to prevent a recurrence of such an incident, which could affect good relations between Thailand and Burma.

Task Force Views Incidents on Burmese Border

BK0303071695 Bangkok THE NATION in English 3 Mar 95 p A5

[FBIS Transcribed Text] Thai Task Force 34 in Mae Sot accused the Burmese junta yesterday of masterminding a

recent sequence of territorial violations and border incidents by armed Burmese and Karen Buddhist troops in which several Karen refugees have been kidnapped, killed or wounded.

The task force, which held an urgent meeting yesterday to draw up contingency measures to deal with territorial transgressions, decided to strengthen its 250-kilometre border with Burma.

The border authorities have also been given the green light to fire at any armed intruders found violating Thai territory and harassing Burmese refugees taking shelter in border camps.

The measures were enforced after the frequent territorial trespassing by Burmese and Democratic Kayin [Karen] Buddhist Organization (DKBO) troops into the Karen refugees' camp in Tak and Mae Hong Son provinces, in which several leaders of the Karen National Union (KNU) were kidnapped and Thai citizens and Karen refugees injured, some seriously, by the intruders.

Col Direk Yaemngamriap, commander of Task Force 34, said yesterday that the meeting of all security authorities responsible for refugee affairs in Mae Sot, Mae Ramat, Tha Song Yang and Phop Phra districts, agreed that the incidents were in fact masterminded by the Burmese junta which has instigated or encouraged the DKBO to intrude into Thai refugee camps.

"From several thorough investigations, we have found out that both Karen (DKBO) and Burmese forces were involved in many of the incidents, but the Burmese authorities have always claimed that they were the work of the DKBO and that they have no control over the group," Derek said.

He said border patrol police, paratroopers, volunteer militia men and police have been given permission to open fire or retaliate if they discover or encounter any armed intruders on Thai soil.

The Task Force 34 held the urgent meeting one day after a group of 30 DKBO forces sneaked into Ban Huai Manok or Bae Nao refugee camp in Tak's Tha Song Yang district early Wednesday morning to threaten and harass 3,000 Karen fugitives there.

The intruders said they would return in five days if the refugees did not return to Burma.

Two people, including a Thai trader, were wounded when the intruders fired about 100 shots in the air at about 1.30 am to scare off camp residents.

The two victims, identified as Thawon Saenchai, a 23-year-old trader, and Pa Di Su, were later sent to a local hospital for treatment.

Border Patrol Police sources said the armed group, led by Lt Maung Soe, had also kidnapped San Hto Khain, a Hlaingbwe judge and a KNU civilian authority who has

been taking refuge in the camp since the fall of KNU headquarters of Manerplaw.

Maung Soe, a former KNU 104th battalion soldier who defected in December to establish the breakaway DKBO, had in early February illegally sneaked across the Moei River into the Thai border camp of Bae Krao and kidnapped four KNU leaders, including Padoh Mahn Yin Sein, the KNU administrative governor of Pa-an district.

The Thai Foreign Ministry last Friday filed its second official protest to the Burmese Embassy over the abductions and repeated intrusion by DKBO and Burmese forces into Thailand, saying such action "was a clear violation of Thailand's sovereignty and territorial integrity."

The ministry also named Maung Soe as having led 10 armed men who kidnapped Padoh Mahn Yin Sein on Feb 9.

About 70,000 Karen refugees are currently taking refuge in about a dozen camps in Thailand. Sources said the fugitives have been "badly shaken and frightened" by the Burmese and DKBO forces who repeatedly intruded into their camps to harass them.

Last Thursday a Thai truck driver and two Karen women, one of whom was pregnant, were shot dead by a group of 20 Burmese forces who opened fire on five trucks transporting refugees from Mae Poh Hta camp on the Moei River bank in Mae Hong Son's Sop Moei district to a new refugee camp at The Lo Thi Ta camp. Ten other people were injured in the shoot-out.

Mae Sot officers have filed several protests over the violent actions by the armed intruders to their Burmese counterparts in the Burmese border town of Myawaddy, but to no avail as the Burmese authorities have shown no sign of acknowledging the incidents, according to the sources.

Wimon Wongwanit, the Thai Army Commander-in-Chief, said last week that the Burmese Army should crush all KNU forces so that the Thai border populace can live in peace.

He added that all refugees should return to Burma to help reconstruct the country and lift the burden that Thailand has been facing in putting up with them.

Australia Offers Aid for Burmese Refugees

*BK0303072595 Bangkok BANGKOK POST in English
3 Mar 95 p 11*

[FBIS Transcribed Text] Australia is to provide grants totalling 8.5 million baht (A\$500,000) in emergency relief for agencies supporting the increasing number of refugees moving across the Thai-Burmese border into Thailand.

Australian Minister for Development Cooperation Gordon Bilney said the grants would provide war-weary Burmese refugees with vital food and medicine.

"Relief agencies are reporting that up to 15,000 Karens have recently crossed into Thailand's Kanchanaburi Province at Bonpi Pass," said Mr Bilney.

"This brings the total number of refugees now living in the area to around 80,000 people.

"The most pressing need is for food supplies but medical supplies, blankets and mosquito nets are also being provided."

Australia's grants will be channeled to two key organizations running relief activities in the camps, he said.

A grant of A\$150,000 will be made to Austcare to support medical programs provided by Medicins Sans Frontieres. These focus mainly on the control of malaria, but also target immunization, maternal and child health, sanitation and water supply.

Mr Bilney's announcement is the latest in a series of annual grants for relief efforts in the region. Last year the Australian Government provided A\$300,000.

Aung San Suu Kyi Seen as Challenge to SLORC

BK0303095995 Bangkok *THE NATION* in English 3 Mar 95 p A7

[Article by Aung Zaw: "Slorc Offensive Falters at Suu Kyi's Door"]

[FBIS Transcribed Text] In the Rangoon war office, the generals gathered in their meeting room listening to battle news coming through a wireless machine.

Gen Maung Aye, vice-chairman of the ruling junta known as the State Law and Order Restoration Council or Slorc, Senior Gen Than Shwe, chairman of Slorc, powerful military intelligence and Secretary One, Lt-Gen Khin Nyunt and other senior junta officials were concentrating on the incoming messages.

Finally, the words come—and Gen Maung gives the victory sign. The generals look at each other. On their faces, the glow of satisfaction. Then they tossed their glasses to mark the victory at Kawmura, the Karen National Union's [KNU] last major stronghold. It is their second major victory in less than a month, coming only weeks after the Burmese army captured the Karen's Manerplaw headquarters. Lt-Gen Kyaw Ba who predicted the fate of Kawmura stood up and shouts, "Our Victory." Kyaw Ba said shortly after the fall of Manerplaw that the well-fortified Kawmura would be taken by the TATMADAW (armed forces) within one or two months.

Khin Nyunt speaks: "Regarding the Democratic Kayin [Karen] Buddhist Organization (DKBO), they are our brothers. We should take care of them." All the generals nod their heads in agreement.

Then the secretary lowered his voice, "But don't forget they are not trustworthy, we should watch them carefully. If they want to discuss political issues, be ready to wipe them out." As Khin Nyunt left the meeting room dozens of his men rushed to his limousine before him.

The following day, the junta's mouthpiece newspaper reported Kawmura was captured by the breakaway Karen insurgent group, the DKBO, and not by the Burmese military.

In Burma, both the urban-led democracy movement and the armed ethnic insurgencies are considered as state enemies and face severe punishment.

Since the time of modern Burma's founding dictator, Gen Ne Win, to chosen heir, Lt-Gen Khin Nyunt, almost all peaceful demonstrations staged by monks, workers, and students have been crushed by military authorities.

The recent offensive against the Manerplaw and Kawmura camps, where Karen and other dissidents were holding out, shows that Rangoon's military leaders have a plan to wipe out the country's longest-running ethnic insurgency. Therefore, although the generals themselves ceased to attack KNU bases in 1992 military leaders in Rangoon reneged on their ceasefire and ordered a major offensive against the KNU headquarters and other military bases. Manerplaw, with its concentration of Karen soldiers and democratic forces including monks, students, intellectuals and politicians, had been a constant thorn in the side of Slorc.

The truth is bitter. But the fact is that the opposition at home has been completely crushed or cowed. The main opposition party, the National League for Democracy (NLD) is in a near coma having suffered a paralytic stroke.

Nevertheless, apart from recent major military operations against the Karen rebels and democratic forces Slorc leaders have some major problems in Rangoon. Rangoon leaders face credibility problems as they refused to respect the outcome of the 1990 election results. Many people still argue the junta has no mandate to rule the country and they should honor the election results and abandon the sham National Convention, which has been on again and off again affair for almost three years.

Despite six years in power, the general in Burma remained unchanged and reluctant to abandon their hardline rhetoric.

As Burma's generals gained more confidence the most important question then, is who will be the next target? Even though Slorc troops captured Manerplaw and Kawmura camps, a big pebble remains in their boots. This is Burma's charismatic leader Aung San Suu Kyi who has entered her sixth year of unlawful detention.

The Burma's military leaders held talks with her but it appears no progress was made. She is indeed the most

prominent Burmese leader. She has been described as the "hope" for the struggling-to-be-free Burma and Burma's Nelson Mandela.

Though the generals were able to bring heavy fire power on the Kawmura camp, where about 1,000 die-hard Karen soldiers were defending, what are they going to do with Suu Kyi who does not even hold up a needle against them? What are their strategies to offend Suu Kyi? Will they kick her out of the country before July or have another dialogue to appease the Burmese and international community?

Indeed, it is easier for Slorc to attack the KNU, as they both have to fight in a battle. But how will Slorc prepare their battle against Suu Kyi who has always repudiated the use of violence and pursued democracy through non-violent struggle?

Burma's military leaders recently said Suu Kyi will not be released until a new constitution is completed.

As things stand at the moment, Suu Kyi will never be allowed to participate in politics or to become Burma's future president as the Slorc-managed National Convention has introduced clauses that would effectively bar Suu Kyi from ever becoming a leader because of her marriage to a foreigner and her many years spent overseas. Just before the fall of Manerplaw, Suu Kyi sent a strong message through her husband, Michael Aris. Suu Kyi's rare statement said that she is committed to a free Burma and will continue her struggle until the end.

As Suu Kyi listens to her shortwave radio she knew of the country's daily happenings including the recent incidents on the border. Perhaps, if she has a chance, she might have something to say about Slorc's recent offensive against the ethnic minorities and dissidents. The assaults on KNU bases and dissidents were major victories for the Slorc. But if using force is Slorc's solution to peace and national reconciliation in Burma then Burma will never achieve genuine peace—and the TAT-MADAW men will never gain the trust from their brothers.

It is no military solution but there is a way to solve Burma's unresolved longstanding problems including a civil war and ethnic conflicts, and to restore genuine peace, freedom and democracy.

'Sources' Confirm Air Force Seeking F-18's

BK0303095595 Bangkok THE NATION in English 3 Mar 95 p A3

[Report "From the News Desk": "Air Force bid for F-18s faces same enemy that sunk Navy"]

[FBIS Transcribed Text] Following the scuttling of the Navy's plan to buy two submarines, the Air Force is now taking a turn to defend another ambitious arms procurement programme.

The Air Force has quietly submitted to the Budget Bureau a proposal to acquire a squadron of US-made F-18 jetfighters, informed sources confirmed.

F-18s beat other "candidates" such as F-16 fighters, Russian MiGs or French Mirages after months of study.

Citing the Navy's failure, military sources said the Air Force must now prove to the Cabinet that the F-18 plan is not meant for an "offensive" military build-up.

"The Navy has failed to convince the Cabinet that submarines are needed for defensive purposes," said one of the sources, who asked not to be named. "Of course the submarines can defend the Gulf of Thailand, but they can carry out far-reaching operations, too."

Now the Air Force is faced with the need to acquire F-18s. It must explain why the fighters are necessary after Thailand's acquisition of two squadrons of maverick F-16s, one of the world's most sophisticated combat aircraft.

One explanation which could be used is that the proposed F-18 acquisition is a follow-up to the planned installation of the air defence system which won the Cabinet's approval earlier this week.

Phase 3 of the Royal Thai Air Force Defence System (RTADS), to be installed in the southern region, will cost an estimated Bt [baht] 4.59 billion and has a five-year budget commitment from 1995-2000.

The Cabinet agreed with the Budget Bureau's suggestion that the Air Force should reduce installments for 1996 and 1997, as worked out earlier, and should postpone payment to 1998 and 1999 instead.

The Cabinet also told the Air Force to negotiate with the Westinghouse Company and forward the proposed deal to the Cabinet for consideration.

The sources said F-18s would effectively back up the RTADS Phase 3, and the Air Force is expected to vehemently maintain that the southern air defence system, to be based in Phuket and Hat Yai, would be meaningless unless air combat capability was enhanced.

Other points the Air Force will raise with the Cabinet include a warning that despite Thailand's current friendly relations with its neighbouring countries too much complacency will one day lead to military and then political disadvantage.

"Some neighbours are equipped with formidable jetfighters which can ambush Bangkok and disappear before we know what's going on," one source said. "Two squadrons of F-16s are not enough."

Certain sources said the Air Force would also complain to the Cabinet that our F-16s are not "ideal" because the United States "withheld" some crucial technology.

According to the sources, the F-16 aircraft sold to Thailand do not have firing precision beyond the eyes' range.

Renewed regional tension in the hotly-contested Spratly Islands in the South China Sea could also lend some weight to the Air Force's budget request.

China recently acknowledged building shelters for its fishermen on a reef in the Spratly Islands, causing the Philippines to order more troops to the area.

Vietnam, China, the Philippines, Taiwan, Malaysia and Brunei each claim all or part of the Spratlys.

But arguments based on the Spratlys or potential neighbouring threats will face the same enemy that sank the Navy's submarine plan—the government's education-oriented budget policy.

Existing Software Not Covered by Copyright Act

*BK0303042595 Bangkok BANGKOK POST in English
3 Mar 95 p 32*

[Report by Somphon Thapphanachai]

[FBIS Transcribed Text] The Government and academics welcome the protection of computer software programs from March 21 when the new Copyright Act takes effect, according to Deputy Commerce Minister Kopsak Saphawasu.

But whether programs invented before that date will be protected is being debated. The Council of State says computer software programs are scientific works.

But some parties, particularly computer software companies take issue with this opinion and want their products protected as literature.

The Intellectual Property Department yesterday held a seminar to discuss copyright protection for computer software programs because confusion persists over whether the law will protect works created before March 21.

The new law will define and protect computer software programs as literature. The Government will grant exclusive rights to the creator of the program and his subsequent beneficiaries for his lifetime plus 50 years.

Under existing law, which defines computer software programs as scientific works, protection lasts only 25 years.

Mr Kopsak said that after March 21, computer shops which sold pirated software programs would face legal action, but buyers would be allowed to use their programs as long as they did not copy them for others.

Director-general Suchai Chaowisit said sellers of pirated products would face jail for six months to one year and fines of 100,000 to 800,000 baht. If they were arrested

again during a five- year probation period after a first offence, the penalties would be doubled.

Mr Kopsak said programs created before March 21 would be protected under the existing act or the Copyright Act.

But if their owners were not satisfied with this, they could take their cases to court. The outcome would set a precedent for other disputes.

Vietnam

Ministry Press Conference Touches on Spratlys

*BK0303112595 Hanoi Voice of Vietnam in English
1000 GMT 3 Mar 95*

[FBIS Transcribed Text] The Vietnamese Foreign Ministry held a regular press conference in Hanoi on Thursday. The Voice of Vietnam now briefs you the main questions raised at the function relating to our current foreign affairs in the region and the rest of the world.

In answer to a question raised by an AP correspondent on the dispute at the Truong Sa [Spratlys] Archipelago in the South China Sea, Mrs. Ho The Lan, the spokesperson for the foreign affairs said:

[Begin Ho The Lan recording in Vietnamese fading into English translation] Vietnam has many times reiterated the historical and legal documents and facts to prove its sovereignty over the Truong Sa and Hoang Sa [Paracel] Archipelagoes while other countries also claim sovereignty over Truong Sa. However, for the interest of peace, stability, and cooperation in the region, Vietnam plans to solve all disputes through peaceful negotiation with those who claim sovereignty over these archipelagoes, including bilateral discussion with the view to reach an unanimous agreement among all parties. Alongside of the efforts for peaceful solution, all parties should refrain themselves to avoid any acts which may aggravate the situation but maintain its status quo and avoid using violence or threat to use violence.

Relating to questions also raised by the AP correspondent on the repatriation of Vietnamese boat people, the spokesperson of the Vietnamese Foreign Ministry pointed out that at the preparatory meeting on the Comprehensive Program of Actions organized by the United Nations High Commission for Refugees in Kuala Lumpur on 21-22 January, the Vietnamese delegation made it clear that Vietnam is ready to cooperate with the United Nations High Commission for Refugees and parties concerned in the framework of the comprehensive program of actions and bilateral agreements on the repatriation of Vietnamese people stranded at the first recipient countries and ready to talk with parties concerned for an early implementation of the comprehensive program of action.

The Vietnamese Foreign Ministry spokesperson also pointed out that Vietnam has committed with the High Commission for Refugees and other concerned organizations to streamline regulations with a view to receive up to 3,600 returnees per month.

Concerning Vietnam's diplomatic activities in coming period, Mrs. Ho The Lan informed that General Than Shwe, prime minister of Myanmar [Burma] will pay an official friendship visit to Vietnam in late March. The Myanmar prime minister will have a talk with his Vietnamese counterpart Mr. Vo Van Kiet, Party General Secretary Do Muoi, and President Le Duc Anh. Their discussions will focus on measures to strengthen the comprehensive relations between Vietnam and Myanmar and on regional and international issues of common interest. Mrs. Ho The Lan also informed that Vietnamese Foreign Minister Nguyen Manh Cam will pay official visits to Mozambique, Zimbabwe, Zambia, and Angola from 14 to 21 March 1995. This is the official visit of the Vietnamese foreign minister to the southern African countries with the view to consolidating the special relationship and opening opportunity for cooperation between Vietnam and these countries.

Assembly Delegation Visits Slovak Republic

BK0203160295 Hanoi VNA in English 1458 GMT 2 Mar 95

[FBIS Transcribed Text] Hanoi VNA March 2—A delegation of the National Assembly led by Chairman Nong Duc Manh arrived in Bratislava on Feb. 28 for an official visit to the Slovak Republic.

At the talks held yesterday with Chairman of the Slovak National Council (Parliament) Mr. Ivan Gasparovic, the two sides informed each other of their countries' situation, and exchanged experiences in their socio-economic development.

Chairman Nong Duc Manh spoke of Vietnam's policy to broaden mutually beneficial cooperative relations with all nations, including traditional friendly countries and invited his Slovak counterpart to visit Vietnam.

For his part, Chairman Gasparovic highly valued the delegation's visit. He said that the Slovak people now as before are friends of the Vietnamese people. The two countries should enhance the exchange of visits with a view to promoting their cooperative relations to higher level. The Slovak Republic is continuing the agreements signed between the former Czechoslovakia and Vietnam, however the two countries should sign more new agreements suitable for the new developments.

Chairman Gasparovic accepted Chairman Manh's invitation with pleasure.

The same day, Prime Minister of Slovakia Mr. Vladimir Meciar while receiving the Vietnamese National Assembly delegation expressed his hope that the delegation's visit would take the friendship and cooperation between the two countries to a new stage, and that Slovakia wishes to sign with Vietnam a number of agreements, including agreements on trade, investment protection and avoidance of double taxation.

French Firm Discovers Oil Off Southern Coast

BK0203140095 Hanoi Voice of Vietnam in English 1000 GMT 2 Mar 95

[FBIS Transcribed Text] French oil and gas company Total announced on Wednesday it has discovered oil off the coast of southern Vietnam. The discovery was made during an exploratory drilling in Lot 11-1, 250-kilometers southeast of Ho Chi Minh City. The oil flow was initially estimated at 2,100 barrels a day and gas flow at 32 million cubic [word indistinct] a day. The lot is adjacent to the Dai Hung (Big Bear) field.

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